

**Department of Social Services
MO HealthNet Division
Book 1 of 2**

Fiscal Year 2017 Budget Request

Brian Kinkade, Director

Printed with Governor's Recommendation

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Mo HealthNet Division
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DEPARTMENT OF SOCIAL SERVICES

SUMMARY:

| H.B. Sec. | Rank | Decision Item Name | 2017 Department Request | | | | | 2017 Governor's Recommendation | | | | |
|-----------|------|--|-------------------------|-------------------|-------------------|------------------|-------------------|--------------------------------|-------------------|-------------------|------------------|-------------------|
| | | | FTE | GR | FF | OF | Total | FTE | GR | FF | OF | Total |
| 11.400 | | MO HealthNet Administration | | | | | | | | | | |
| | 1 | Core | 234.11 | 3,314,623 | 8,729,678 | 2,403,499 | 14,447,800 | 234.11 | 3,314,623 | 8,729,678 | 2,403,499 | 14,447,800 |
| | | NDI - Pay Plan | | | | | | | 52,417 | 107,906 | 35,931 | 196,254 |
| | | NDI-Statewide Mgd Care Trai | 15.00 | 850,986 | 850,986 | 0 | 1,701,972 | 0.00 | 0 | 0 | 0 | 0 |
| | | Total | 249.11 | 4,165,609 | 9,580,664 | 2,403,499 | 16,149,772 | 234.11 | 3,367,040 | 8,837,584 | 2,439,430 | 14,644,054 |
| 11.405 | | Clinical Services Program Managemen | | | | | | | | | | |
| | 1 | Core | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 |
| | | Total | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 |
| 11.410 | | Women & Minority Health Care Outreach | | | | | | | | | | |
| | 1 | Core | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 |
| | | Total | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 |
| 11.415 | | TPL Contracts | | | | | | | | | | |
| | 1 | Core | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 |
| | | Total | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 |
| 11.420 | | Information Systems | | | | | | | | | | |
| | 1 | Core | 0.00 | 7,386,283 | 55,400,350 | 2,021,687 | 64,808,320 | 0.00 | 7,386,283 | 55,400,350 | 2,021,687 | 64,808,320 |
| | | NDI-Sustaining MMIS Infrastrn | 0.00 | 4,250,000 | 12,750,000 | 0 | 17,000,000 | 0.00 | 4,250,000 | 12,750,000 | 0 | 17,000,000 |
| | | Total | 0.00 | 11,636,283 | 68,150,350 | 2,021,687 | 81,808,320 | 0.00 | 11,636,283 | 68,150,350 | 2,021,687 | 81,808,320 |
| 11.425 | | Electronic Health Records Incentives | | | | | | | | | | |
| | 1 | Core | 0.00 | 0 | 60,000,000 | 0 | 60,000,000 | 0.00 | 0 | 50,000,000 | 0 | 50,000,000 |
| | | Total | 0.00 | 0 | 60,000,000 | 0 | 60,000,000 | 0.00 | 0 | 50,000,000 | 0 | 50,000,000 |
| 11.430 | | Money Follows the Person | | | | | | | | | | |
| | | Core | 0.00 | 0 | 532,549 | 0 | 532,549 | 0.00 | 0 | 532,549 | 0 | 532,549 |
| | | Total | 0.00 | 0 | 532,549 | 0 | 532,549 | 0.00 | 0 | 532,549 | 0 | 532,549 |
| 11.430 | | Adult Medicaid Grant | | | | | | | | | | |
| | | Core | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| | | Total | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|--------|-------------------------------------|------|-------------|-------------|-------------|---------------|------|-------------|-------------|-------------|---------------|
| 11.435 | Pharmacy | | | | | | | | | | |
| 1 | Core | 0.00 | 87,343,166 | 744,734,952 | 347,134,002 | 1,179,212,120 | 0.00 | 84,696,104 | 744,734,952 | 311,092,968 | 1,140,524,024 |
| | NDI-MHD FY17 Cost to Conti | 0.00 | 60,461,570 | 75,643,117 | 0 | 136,104,687 | 0.00 | 36,830,857 | 77,286,433 | 6,895,680 | 121,012,970 |
| | NDI-Pharmacy PMPM-Special | 0.00 | 49,408,468 | 85,303,935 | 0 | 134,712,403 | 0.00 | 49,536,445 | 85,175,958 | 0 | 134,712,403 |
| | NDI-Pharmacy PMPM-Non-Special | 0.00 | 11,742,036 | 20,272,677 | 0 | 32,014,713 | 0.00 | 11,772,450 | 20,242,263 | 0 | 32,014,713 |
| | NDI-ABLE Accounts | 0.00 | 1,095,174 | 2,864,884 | 564,181 | 4,524,239 | 0.00 | 1,099,472 | 2,860,586 | 564,181 | 4,524,239 |
| | NDI - Tobacco GR Pickup | | | | | | 0.00 | 36,041,034 | 0 | 0 | 36,041,034 |
| | NDI - FMAP adjustment | | | | | | 0.00 | 0 | 2,147,062 | 0 | 2,147,062 |
| | Total | 0.00 | 210,050,414 | 928,819,565 | 347,698,183 | 1,486,568,162 | 0.00 | 219,976,362 | 932,447,254 | 318,552,829 | 1,470,976,445 |
| 11.435 | Pharmacy - Medicare Part D Clawback | | | | | | | | | | |
| 1 | Core | 0.00 | 177,600,212 | 0 | 0 | 177,600,212 | 0.00 | 177,600,212 | 0 | 0 | 177,600,212 |
| | NDI-MHD FY17 Cost to Conti | 0.00 | 15,557,082 | 0 | 0 | 15,557,082 | 0.00 | 15,345,257 | 0 | 0 | 15,345,257 |
| | NDI-Clawback Increase | 0.00 | 18,073,510 | 0 | 0 | 18,073,510 | 0.00 | 18,073,510 | 0 | 0 | 18,073,510 |
| | Total | 0.00 | 211,230,804 | 0 | 0 | 211,230,804 | 0.00 | 211,018,979 | 0 | 0 | 211,018,979 |
| 11.435 | Missouri Rx Plan | | | | | | | | | | |
| 1 | Core | 0.00 | 17,003,822 | 0 | 4,655,326 | 21,659,148 | 0.00 | 17,003,822 | 0 | 4,655,326 | 21,659,148 |
| | NDI-MO Rx GR Pickup | 0.00 | 2,327,099 | 0 | 0 | 2,327,099 | 0.00 | 2,327,099 | 0 | 0 | 2,327,099 |
| | Total | 0.00 | 19,330,921 | 0 | 4,655,326 | 23,986,247 | 0.00 | 19,330,921 | 0 | 4,655,326 | 23,986,247 |
| 11.440 | Pharmacy FRA | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 |
| | Total | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 |
| 11.445 | GR Pharmacy FRA Transfer | | | | | | | | | | |
| | Core | 0.00 | 38,737,111 | 0 | 0 | 38,737,111 | 0.00 | 38,737,111 | 0 | 0 | 38,737,111 |
| | Total | 0.00 | 38,737,111 | 0 | 0 | 38,737,111 | 0.00 | 38,737,111 | 0 | 0 | 38,737,111 |
| 11.450 | Pharmacy FRA Transfer | | | | | | | | | | |
| | Core | 0.00 | 0 | 0 | 38,737,111 | 38,737,111 | 0.00 | 0 | 0 | 38,737,111 | 38,737,111 |
| | Total | 0.00 | 0 | 0 | 38,737,111 | 38,737,111 | 0.00 | 0 | 0 | 38,737,111 | 38,737,111 |
| 11.455 | Physician Related | | | | | | | | | | |
| 1 | Core | 0.00 | 86,468,613 | 253,845,261 | 18,747,307 | 359,061,181 | 0.00 | 80,030,175 | 243,926,840 | 13,262,958 | 337,219,973 |
| | NDI - Tax Amnesty fund | | | | | | | 7,911,412 | 13,632,944 | 0 | 21,544,356 |
| | NDI-MHD FY17 Cost to Conti | 0.00 | 27,850,288 | 7,797,249 | 0 | 35,647,537 | 0.00 | 51,761,092 | 868,020 | 0 | 52,629,112 |
| | NDI-ABA for Children with Autism | 0.00 | 4,426,654 | 7,642,638 | 0 | 12,069,292 | 0.00 | 4,438,120 | 7,631,172 | 0 | 12,069,292 |
| | NDI - FMAP adjustment | | | | | | 0.00 | 0 | 3,276,222 | 0 | 3,276,222 |
| | NDI-ABLE Accounts | 0.00 | 630,729 | 1,649,933 | 324,922 | 2,605,584 | 0.00 | 633,203 | 1,647,459 | 324,922 | 2,605,584 |
| | Total | 0.00 | 119,376,284 | 270,935,081 | 19,072,229 | 409,383,594 | 0.00 | 144,774,002 | 270,982,657 | 13,587,880 | 429,344,539 |

| | | | | | | | | | | | |
|--------|--------------------------------|------|-------------|-------------|------------|-------------|------|-------------|-------------|------------|-------------|
| 11.460 | Dental | | | | | | | | | | |
| 1 | Core | 0.00 | 837,204 | 8,637,115 | 4,252,464 | 13,726,783 | 0.00 | 185,189 | 2,133,512 | 919,935 | 3,238,636 |
| | NDI - Tax a mnesty fund | | | | | | 0.00 | 3,570,246 | 6,138,897 | 0 | 9,709,143 |
| | NDI-MHD FY17 Cost to Conti | 0.00 | 0 | 252,718 | 0 | 252,718 | 0.00 | 591,477 | 1,080,904 | 0 | 1,672,381 |
| | NDI-ABLE Accounts | 0.00 | 2,773 | 7,253 | 1,428 | 11,454 | 0.00 | 2,784 | 7,242 | 1,428 | 11,454 |
| | NDI - FMAP adjustment | | | | | | 0.00 | 0 | 152,015 | 0 | 152,015 |
| | Total | 0.00 | 839,977 | 8,897,086 | 4,253,892 | 13,990,955 | 0.00 | 4,349,696 | 9,512,570 | 921,363 | 14,783,629 |
| 11.465 | Premium Payments | | | | | | | | | | |
| 1 | Core | 0.00 | 65,720,861 | 128,087,018 | 0 | 193,807,879 | 0.00 | 64,859,707 | 128,087,018 | 0 | 192,946,725 |
| | NDI-MHD FY17 Cost to Conti | 0.00 | 6,598,374 | 13,082,283 | 0 | 19,680,657 | 0.00 | 9,476,755 | 17,541,504 | 0 | 27,018,259 |
| | NDI-Premium Increase | 0.00 | 3,196,563 | 6,260,217 | 0 | 9,456,780 | 0.00 | 6,962,621 | 13,656,472 | 0 | 20,619,093 |
| | NDI - FMAP adjustment | | | | | | | 0 | 861,154 | 0 | 861,154 |
| | Total | 0.00 | 75,515,798 | 147,429,518 | 0 | 222,945,316 | 0.00 | 81,299,083 | 160,146,148 | 0 | 241,445,231 |
| 11.470 | Nursing Facilities | | | | | | | | | | |
| 1 | Core | 0.00 | 142,097,015 | 388,426,892 | 81,409,072 | 611,932,979 | 0.00 | 142,097,015 | 375,246,180 | 74,662,188 | 592,005,383 |
| | NDI - Tax a mnesty fund | | | | | | | 9,259,911 | 15,922,051 | 0 | 25,181,962 |
| | NDI - FMAP adjustment | | | | | | | 1,533,692 | 0 | 0 | 1,533,692 |
| | Total | 0.00 | 142,097,015 | 388,426,892 | 81,409,072 | 611,932,979 | 0.00 | 152,890,618 | 391,168,231 | 74,662,188 | 618,721,037 |
| 11.470 | Home Health | | | | | | | | | | |
| 1 | Core | 0.00 | 2,445,442 | 4,550,056 | 189,979 | 7,185,477 | 0.00 | 2,445,442 | 4,490,282 | 159,305 | 7,095,029 |
| | NDI - Tax Amnesty Fund | | | | | | | 64,576 | 111,036 | 0 | 175,612 |
| | NDI - MHD FY17 cost to cont. | | | | | | | 35,674 | 33,184 | 0 | 68,858 |
| | NDI-ABLE Accounts | 0.00 | 3,059 | 8,002 | 1,576 | 12,637 | 0.00 | 3,071 | 7,990 | 1,576 | 12,637 |
| | NDI - FMAP Adjustment | | | | | | | 6,823 | 0 | 0 | 6,823 |
| | Total | 0.00 | 2,448,501 | 4,558,058 | 191,555 | 7,198,114 | 0.00 | 2,555,586 | 4,642,492 | 160,881 | 7,358,959 |
| 11.470 | PACE | | | | | | | | | | |
| 1 | Core | 0.00 | 2,979,470 | 5,127,145 | 40,445 | 8,147,060 | 0.00 | 2,605,392 | 4,453,050 | 0 | 7,058,442 |
| | NDI - Tax amnesty fund | | | | | | | 81,270 | 139,741 | 0 | 221,011 |
| | NDI-MHD FY17 Cost to Conti | 0.00 | 50,165 | 173,156 | 0 | 223,321 | 0.00 | 25,165 | 83,432 | 0 | 108,597 |
| | NDI - FMAP adjustment | | | | | | | 0 | 24,078 | 0 | 24,078 |
| | Total | 0.00 | 3,029,635 | 5,300,301 | 40,445 | 8,370,381 | 0.00 | 2,711,827 | 4,700,301 | 0 | 7,412,128 |
| 11.475 | Long Term Support UPL Transfer | | | | | | | | | | |
| | Core | 0.00 | 0 | 0 | 10,990,982 | 10,990,982 | 0.00 | 0 | 0 | 10,990,982 | 10,990,982 |
| | Total | 0.00 | 0 | 0 | 10,990,982 | 10,990,982 | 0.00 | 0 | 0 | 10,990,982 | 10,990,982 |
| 11.480 | Long Term Support Payments | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 6,961,594 | 3,989,174 | 10,950,768 | 0.00 | 0 | 6,291,672 | 3,989,174 | 10,280,846 |
| | NDI - FMAP Adjustment | | | | | | | 0 | 0 | 669,922 | 669,922 |
| | Total | 0.00 | 0 | 6,961,594 | 3,989,174 | 10,950,768 | 0.00 | 0 | 6,291,672 | 4,659,096 | 10,950,768 |

| | | | | | | | | | | |
|---|-------------|--------------------|----------------------|--------------------|----------------------|-------------|--------------------|----------------------|--------------------|----------------------|
| 11.485 Rehab & Specialty Services | | | | | | | | | | |
| 1 Core | 0.00 | 71,247,849 | 150,350,936 | 25,011,291 | 246,610,076 | 0.00 | 71,247,849 | 145,333,645 | 23,963,416 | 240,544,910 |
| NDI - Tax amnesty fund | | | | | | | 1,874,139 | 3,225,467 | 0 | 5,099,606 |
| NDI-MHD FY17 Cost to Conti | 0.00 | 8,320,189 | 0 | 0 | 8,320,189 | 0.00 | 6,372,782 | 0 | 0 | 6,372,782 |
| NDI-Hospice Rate Increase | 0.00 | 104,459 | 180,314 | 0 | 284,773 | 0.00 | 104,717 | 180,056 | 0 | 284,773 |
| NDI-ABLE Accounts | 0.00 | 219,406 | 573,948 | 113,027 | 906,381 | 0.00 | 220,267 | 573,087 | 113,027 | 906,381 |
| NDI - FMAP adjustment | | | | | | | 3,208,274 | 0 | 0 | 3,208,274 |
| Total | 0.00 | 79,891,903 | 151,105,198 | 25,124,318 | 256,121,419 | 0.00 | 83,028,028 | 149,312,255 | 24,076,443 | 256,416,726 |
| 11.485 NEMT | | | | | | | | | | |
| 1 Core | 0.00 | 8,642,106 | 29,472,000 | 0 | 38,114,106 | 0.00 | 9,139,515 | 29,177,649 | 0 | 38,317,164 |
| NDI-MHD FY17 Cost to Conti | 0.00 | 4,353,603 | 0 | 0 | 4,353,603 | 0.00 | 4,286,944 | 0 | 0 | 4,286,944 |
| NDI-NEMT Actuarial Increase | 0.00 | 1,044,289 | 1,802,970 | 0 | 2,847,259 | 0.00 | 1,046,994 | 1,800,265 | 0 | 2,847,259 |
| NDI - FMAP adjustment | | | | | | | 1,153,130 | 0 | 0 | 1,153,130 |
| Total | 0.00 | 14,039,998 | 31,274,970 | 0 | 45,314,968 | 0.00 | 15,626,583 | 30,977,914 | 0 | 46,604,497 |
| 11.490 Complex Rehab Technology Products | | | | | | | | | | |
| 1 Core | 0.00 | 4,122,171 | 7,324,335 | 55,131 | 11,501,637 | 0.00 | 4,062,335 | 7,229,164 | 0 | 11,291,499 |
| NDI - Tax amnesfty fund | | | | | | | 116,065 | 199,569 | 0 | 315,634 |
| NDI-MHD FY17 Cost to Conti | 0.00 | 88,355 | 39,405 | 0 | 127,760 | 0.00 | 0 | 0 | 0 | 0 |
| NDI-ABLE Accounts | 0.00 | 23,927 | 62,590 | 0 | 86,517 | 0.00 | 31,814 | 54,703 | 0 | 86,517 |
| NDI - FMAP adjustment | | | | | | | 0 | 59,836 | 0 | 59,836 |
| Total | 0.00 | 4,234,453 | 7,426,330 | 55,131 | 11,715,914 | 0.00 | 4,210,214 | 7,543,272 | 0 | 11,753,486 |
| 11.495 Ambulance SRV Reim. Allow Transfer | | | | | | | | | | |
| Core | 0.00 | 18,236,543 | 0 | 0 | 18,236,543 | 0.00 | 18,236,543 | 0 | 0 | 18,236,543 |
| Total | 0.00 | 18,236,543 | 0 | 0 | 18,236,543 | 0.00 | 18,236,543 | 0 | 0 | 18,236,543 |
| 11.500 GR Ambulance SRV Reim. Allow Transfer | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 18,236,543 | 18,236,543 | 0.00 | 0 | 0 | 18,236,543 | 18,236,543 |
| Total | 0.00 | 0 | 0 | 18,236,543 | 18,236,543 | 0.00 | 0 | 0 | 18,236,543 | 18,236,543 |
| 11.505 Managed Care | | | | | | | | | | |
| 1 Core | 0.00 | 439,276,365 | 1,178,706,392 | 201,322,416 | 1,819,305,173 | 0.00 | 435,686,480 | 1,174,828,757 | 185,123,296 | 1,795,638,533 |
| NDI - Tax amnesty fund | | | | | | | 2,648,778 | 4,554,468 | 0 | 7,203,246 |
| NDI-MHD FY17 Cost to Conti | 0.00 | 38,746,913 | 20,849,567 | 0 | 59,596,480 | 0.00 | 25,759,717 | 20,849,732 | 0 | 46,609,449 |
| NDI-Mgd Care Actuarial Incre | 0.00 | 17,780,173 | 30,640,778 | 0 | 48,420,951 | 0.00 | 7,805,352 | 13,420,994 | 0 | 21,226,346 |
| NDI-Statewide Magd Care Tr | 0.00 | 39,719,100 | 68,575,200 | 0 | 108,294,300 | 0.00 | 0 | 0 | 0 | 0 |
| NDI - Tobacco GR pickup | | | | | | | 13,958,966 | 0 | 0 | 13,958,966 |
| NDI - FMAP adjustment | | | | | | | 0 | 3,589,885 | 0 | 3,589,885 |
| Total | 0.00 | 535,522,551 | 1,298,771,937 | 201,322,416 | 2,035,616,904 | 0.00 | 485,859,293 | 1,217,243,836 | 185,123,296 | 1,888,226,425 |
| 11.510 Hospital Care | | | | | | | | | | |
| 1 Core | 0.00 | 1,631,839 | 356,732,911 | 218,181,908 | 576,546,658 | 0.00 | 1,081,839 | 347,952,145 | 218,181,908 | 567,215,892 |
| NDI-MHD FY17 Cost to Conti | 0.00 | 32,148,678 | 11,190,528 | 0 | 43,339,206 | 0.00 | 36,826,632 | 3,802,963 | 0 | 40,629,595 |
| NDI-ABLE Accounts | 0.00 | 822,442 | 2,151,440 | 436,008 | 3,409,890 | 0.00 | 817,877 | 2,156,005 | 436,008 | 3,409,890 |
| NDI - FMAP adjustment | | | | | | | 1,774,679 | 0 | 0 | 1,774,679 |
| Total | 0.00 | 34,602,959 | 370,074,879 | 218,617,916 | 623,295,754 | 0.00 | 40,501,027 | 353,911,113 | 218,617,916 | 613,030,056 |

| | | | | | | | | | | | |
|--------|-----------------------------------|------|-----------|-------------|---------------|---------------|------|-----------|-------------|---------------|---------------|
| 11.515 | Physician Payments for Safety Net | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 8,000,000 | 0 | 8,000,000 | 0.00 | 0 | 8,000,000 | 0 | 8,000,000 |
| | Total | 0.00 | 0 | 8,000,000 | 0 | 8,000,000 | 0.00 | 0 | 8,000,000 | 0 | 8,000,000 |
| 11.520 | FQHC Distribution | | | | | | | | | | |
| 1 | Core | 0.00 | 6,108,559 | 7,696,009 | 38,417 | 13,842,985 | 0.00 | 6,108,559 | 7,629,690 | 0 | 13,738,249 |
| | NDI - Tax amnesty fund | | | | | | | 75,271 | 129,425 | 0 | 204,696 |
| | Total | 0.00 | 6,108,559 | 7,696,009 | 38,417 | 13,842,985 | 0.00 | 6,183,830 | 7,759,115 | 0 | 13,942,945 |
| 11.525 | IGT Health Care Home | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 6,900,000 | 2,453,934 | 9,353,934 | 0.00 | 0 | 6,900,000 | 2,453,934 | 9,353,934 |
| | Total | 0.00 | 0 | 6,900,000 | 2,453,934 | 9,353,934 | 0.00 | 0 | 6,900,000 | 2,453,934 | 9,353,934 |
| | Foster Kids Health Home | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| | Total | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| 11.530 | Federal Reimbursement Allowance | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 0 | 1,022,818,735 | 1,022,818,735 | 0.00 | 0 | 0 | 1,022,818,735 | 1,022,818,735 |
| | NDI-FRA DSH Redistribution | 0.00 | 0 | 0 | 102,999,999 | 102,999,999 | 0.00 | 0 | 0 | 102,999,999 | 102,999,999 |
| | Total | 0.00 | 0 | 0 | 1,125,818,734 | 1,125,818,734 | 0.00 | 0 | 0 | 1,125,818,734 | 1,125,818,734 |
| 11.535 | IGT Transfer | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 0 | 96,885,215 | 96,885,215 | 0.00 | 0 | 0 | 96,885,215 | 96,885,215 |
| | NDI-Transfer Increase Author | 0.00 | 0 | 0 | 248,265 | 248,265 | 0.00 | 0 | 0 | 0 | 0 |
| | Total | 0.00 | 0 | 0 | 97,133,480 | 97,133,480 | 0.00 | 0 | 0 | 96,885,215 | 96,885,215 |
| 11.540 | IGT Safety Net Hospitals | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 71,505,748 | 43,348,801 | 114,854,549 | 0.00 | 0 | 71,505,748 | 43,348,801 | 114,854,549 |
| | Total | 0.00 | 0 | 71,505,748 | 43,348,801 | 114,854,549 | 0.00 | 0 | 71,505,748 | 43,348,801 | 114,854,549 |
| 11.545 | IGT DMH Medicaid Programs | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 194,011,173 | 125,179,424 | 319,190,597 | 0.00 | 0 | 194,011,173 | 125,179,424 | 319,190,597 |
| | NDI-Transfer Increase Author | 0.00 | 0 | 42,910,133 | 12,046,588 | 54,956,721 | 0.00 | 0 | 27,889,546 | 3,346,588 | 31,236,134 |
| | Total | 0.00 | 0 | 236,921,306 | 137,226,012 | 374,147,318 | 0.00 | 0 | 221,900,719 | 128,526,012 | 350,426,731 |
| 11.550 | Women's Health Services | | | | | | | | | | |
| 1 | Core | 0.00 | 1,598,704 | 8,801,755 | 216,790 | 10,617,249 | 0.00 | 1,598,704 | 8,158,905 | 216,790 | 9,974,399 |
| | NDI-Pharmacy PMPM - Speci | 0.00 | 14,032 | 126,293 | 0 | 140,325 | 0.00 | 14,032 | 126,293 | 0 | 140,325 |
| | NDI-Pharmacy PMPM-Non- S | 0.00 | 3,335 | 30,014 | 0 | 33,349 | 0.00 | 3,335 | 30,014 | 0 | 33,349 |
| | NDI - FMAP adjustment | | | | | | | 642,850 | 0 | 0 | 642,850 |
| | Total | 0.00 | 1,616,071 | 8,958,062 | 216,790 | 10,790,923 | 0.00 | 2,258,921 | 8,315,212 | 216,790 | 10,790,923 |

| | | | | | | | | | | | |
|--------|--|-------------|--------------------|-------------------|--------------------|--------------------|-------------|--------------------|-------------------|--------------------|--------------------|
| 11.555 | CHIP | | | | | | | | | | |
| | Core | 0.00 | 3,864,122 | 74,583,966 | 7,719,204 | 86,167,292 | 0.00 | 3,864,122 | 65,072,043 | 7,719,204 | 76,655,369 |
| | NDI - Pharmacy PMPM - Spe | 0.00 | 1,260,754 | 3,650,636 | 0 | 4,911,390 | 0.00 | 1,264,683 | 3,646,707 | 0 | 4,911,390 |
| | NDI -Pharmacy PMPM-Non- f | 0.00 | 299,621 | 867,582 | 0 | 1,167,203 | 0.00 | 300,555 | 866,648 | 0 | 1,167,203 |
| | NDI- Mgd Care Actuarial Incre | 0.00 | 130,272 | 376,621 | 0 | 506,893 | 0.00 | 130,525 | 376,368 | 0 | 506,893 |
| | NDI - FMAP adjustment | | | | | | | 9,511,923 | 0 | 0 | 9,511,923 |
| | Total | 0.00 | 5,554,769 | 79,478,805 | 7,719,204 | 92,752,778 | 0.00 | 15,071,808 | 69,961,766 | 7,719,204 | 92,752,778 |
| 11.560 | Show Me Babies | | | | | | | | | | |
| | Core | 0.00 | 3,537,785 | 10,135,005 | 0 | 13,672,790 | 0.00 | 3,481,466 | 10,097,505 | 0 | 13,578,971 |
| | NDI - FMAP adjustment | | | | | | | 0 | 18,819 | 0 | 18,819 |
| | Total | 0.00 | 3,537,785 | 10,135,005 | 0 | 13,672,790 | 0.00 | 3,481,466 | 10,116,324 | 0 | 13,597,790 |
| 11.565 | GR FRA Transfer | | | | | | | | | | |
| | Core | 0.00 | 632,107,500 | 0 | 0 | 632,107,500 | 0.00 | 632,107,500 | 0 | 0 | 632,107,500 |
| | Total | 0.00 | 632,107,500 | 0 | 0 | 632,107,500 | 0.00 | 632,107,500 | 0 | 0 | 632,107,500 |
| 11.570 | FRA Transfer | | | | | | | | | | |
| | Core | 0.00 | 0 | 0 | 632,107,500 | 632,107,500 | 0.00 | 0 | 0 | 632,107,500 | 632,107,500 |
| | Total | 0.00 | 0 | 0 | 632,107,500 | 632,107,500 | 0.00 | 0 | 0 | 632,107,500 | 632,107,500 |
| 11.575 | GR NFRA Transfer | | | | | | | | | | |
| | Core | 0.00 | 210,950,510 | 0 | 0 | 210,950,510 | 0.00 | 210,950,510 | 0 | 0 | 210,950,510 |
| | Total | 0.00 | 210,950,510 | 0 | 0 | 210,950,510 | 0.00 | 210,950,510 | 0 | 0 | 210,950,510 |
| 11.580 | Nursing Facility Reimbursement Transfer | | | | | | | | | | |
| | Core | 0.00 | 0 | 0 | 210,950,510 | 210,950,510 | 0.00 | 0 | 0 | 210,950,510 | 210,950,510 |
| | Total | 0.00 | 0 | 0 | 210,950,510 | 210,950,510 | 0.00 | 0 | 0 | 210,950,510 | 210,950,510 |
| 11.585 | Nursing Facility Quality Transfer | | | | | | | | | | |
| | Core | 0.00 | 0 | 0 | 1,500,000 | 1,500,000 | 0.00 | 0 | 0 | 1,500,000 | 1,500,000 |
| | Total | 0.00 | 0 | 0 | 1,500,000 | 1,500,000 | 0.00 | 0 | 0 | 1,500,000 | 1,500,000 |
| 11.590 | Nursing Facility FRA | | | | | | | | | | |
| 1 | Core | 0.00 | 0 | 0 | 325,332,526 | 325,332,526 | 0.00 | 0 | 0 | 325,332,526 | 325,332,526 |
| | NDI-MHD FY17 Cost to Conti | 0.00 | 0 | 0 | 931,039 | 931,039 | 0.00 | 0 | 0 | 0 | 0 |
| | Total | 0.00 | 0 | 0 | 326,263,565 | 326,263,565 | 0.00 | 0 | 0 | 325,332,526 | 325,332,526 |
| 11.595 | School District Medicaid Claiming | | | | | | | | | | |
| 1 | Core | 0.00 | 242,525 | 39,653,770 | 0 | 39,896,295 | 0.00 | 242,525 | 39,653,770 | 0 | 39,896,295 |
| | Total | 0.00 | 242,525 | 39,653,770 | 0 | 39,896,295 | 0.00 | 242,525 | 39,653,770 | 0 | 39,896,295 |

11.600 **Blind Pension Medical Benefits**

| | | | | | | | | | | |
|------------------------------------|---------------|----------------------|----------------------|----------------------|----------------------|---------------|----------------------|----------------------|----------------------|----------------------|
| 1 Core | 0.00 | 23,531,130 | 0 | 0 | 23,531,130 | 0.00 | 23,531,130 | 0 | 0 | 23,531,130 |
| NDI-MHD FY17 Cost to Conti | 0.00 | 3,537,438 | 0 | 0 | 3,537,438 | 0.00 | 3,141,668 | 0 | 0 | 3,141,668 |
| Total | 0.00 | 27,068,568 | 0 | 0 | 27,068,568 | 0.00 | 26,672,798 | 0 | 0 | 26,672,798 |
| Total MO HealthNet Core | 234.11 | 1,157,991,579 | 3,824,689,267 | 2,550,315,964 | 7,532,996,810 | 234.11 | 2,043,291,865 | 3,755,358,934 | 3,490,707,367 | 9,289,358,166 |
| Total MO HealthNet Division | 249.11 | 1,513,133,095 | 4,243,276,334 | 2,667,734,732 | 8,424,144,161 | 234.11 | 1,538,038,603 | 4,126,295,509 | 2,596,688,768 | 8,261,022,880 |
| Total MO HealthNet Transfer | 0.00 | 900,031,664 | 0 | 1,009,656,126 | 1,909,687,790 | 0.00 | 900,031,664 | 0 | 1,009,407,861 | 1,909,439,525 |

NEW DECISION ITEM

RANK: 6 OF 29

| | | | | | | | | | |
|---|--------------------|--------------------|----------------|--------------------|---|--------------------|--------------------|------------------|--------------------|
| Department of Social Services | | | | | Budget Unit <u>Various</u> | | | | |
| MO HealthNet Division | | | | | | | | | |
| MO HealthNet Cost to Continue DI# 1886001 | | | | | House Bill <u>Various</u> | | | | |
| 1. AMOUNT OF REQUEST | | | | | | | | | |
| FY 2017 Budget Request | | | | | FY 2017 Governor's Recommendation | | | | |
| | GR | Federal | Other | Total | | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 | PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 | EE | 0 | 0 | 0 | 0 |
| PSD | 197,712,655 | 129,028,023 | 931,039 | 327,671,717 | PSD | 190,454,020 | 121,546,172 | 6,895,680 | 318,895,872 |
| TRF | 0 | 0 | 0 | 0 | TRF | 0 | 0 | 0 | 0 |
| Total | 197,712,655 | 129,028,023 | 931,039 | 327,671,717 | Total | 190,454,020 | 121,546,172 | 6,895,680 | 318,895,872 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | FTE | 0.00 | 0.00 | 0.00 | 0.00 |
| Est. Fringe | 0 | 0 | 0 | 0 | Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | | <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |
| Other Funds: Nursing Facility Federal Reimbursement Allowance | | | | | Other Funds: Pharmacy Rebates, Nursing Facility Reimbursement Allowance | | | | |
| 2. THIS REQUEST CAN BE CATEGORIZED AS: | | | | | | | | | |
| <input type="checkbox"/> New Legislation <input type="checkbox"/> Federal Mandate <input type="checkbox"/> GR Pick-Up <input type="checkbox"/> Pay Plan | | | | | <input type="checkbox"/> New Program <input type="checkbox"/> Program Expansion <input type="checkbox"/> Space Request <input type="checkbox"/> Other: _____ | | | | |
| | | | | | <input type="checkbox"/> Fund Switch <input checked="" type="checkbox"/> Cost to Continue <input type="checkbox"/> Equipment Replacement | | | | |
| 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM. | | | | | | | | | |
| Based on actual MO HealthNet program expenditures through November 2015, it is anticipated that additional funding will be necessary to operate current MO HealthNet programs for Fiscal Year 2016. This decision item is to continue this additional funding into Fiscal Year 2017. Programs with estimated shortfalls include Pharmacy, Clawback, Physician Related Services, Dental Services, Premium Payments, Home Health, Program for All-Inclusive Care for the Elderly (PACE), Rehabilitation and Specialty Services, Non-Emergency Medical Transportation (NEMT), Managed Care, Hospital, and Blind Pension Medical. | | | | | | | | | |

NEW DECISION ITEM
RANK: 6 OF 29

Department of Social Services **Budget Unit** Various
MO HealthNet Division
MO HealthNet Cost to Continue **DI# 1886001**

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Based on actual expenditures through November 2015, additional funding is needed in Fiscal Year 2016. The below table outlines the need to continue the Fiscal Year 2016 supplemental by program area.

| | Department Request | | | |
|---|---------------------|---------------------|----------|----------------------|
| | GR | Federal | Other | Total |
| Pharmacy (11.435) | | | | |
| FY16 cuts/fund switches | (17,985,388) | 0 | 0 | (17,985,388) |
| FY15 shortfall carried over into FY16 | (11,460,582) | (19,786,744) | 0 | (31,247,326) |
| Utilization/Caseload in FY16 | (17,528,910) | (31,568,028) | 0 | (49,096,938) |
| Inflation/Cost in FY16 | (13,486,690) | (24,288,345) | 0 | (37,775,035) |
| Total Need | (60,461,570) | (75,643,117) | 0 | (136,104,687) |
| Pharmacy Rebates Funds (\$15.4M existing, \$4.3M new) | | | | 0 |
| Health Initiatives Funds | | | | 0 |
| Total Pharmacy | (60,461,570) | (75,643,117) | 0 | (136,104,687) |

| | | | | |
|--|---------------------|----------|----------|---------------------|
| Clawback (11.435) | | | | |
| FY16 cuts/NDI underfunded | (5,529,314) | 0 | 0 | (5,529,314) |
| Federally-required rate change for CY 2016 | (6,013,764) | 0 | 0 | (6,013,764) |
| Caseload/Utilization/Inflation in FY16 | (4,014,004) | 0 | 0 | (4,014,004) |
| Total Clawback | (15,557,082) | 0 | 0 | (15,557,082) |

| Governor's Recommendation | | | |
|---------------------------|---------------------|--------------------|----------------------|
| GR | Federal | Other | Total |
| (17,985,388) | 0 | 0 | (17,985,388) |
| (11,460,582) | (19,786,744) | 0 | (31,247,326) |
| (16,774,397) | (32,496,772) | 0 | (49,271,169) |
| (12,906,170) | (25,002,917) | 0 | (37,909,087) |
| (59,126,537) | (77,286,433) | 0 | (136,412,970) |
| 19,721,623 | | (4,321,623) | 15,400,000 |
| 2,574,057 | | (2,574,057) | 0 |
| (36,830,857) | (77,286,433) | (6,895,680) | (121,012,970) |

| | | | |
|---------------------|----------|----------|---------------------|
| (5,529,314) | 0 | 0 | (5,529,314) |
| (6,013,764) | 0 | 0 | (6,013,764) |
| (3,802,179) | 0 | 0 | (3,802,179) |
| (15,345,257) | 0 | 0 | (15,345,257) |

NEW DECISION ITEM
RANK: 6 OF 29

Department of Social Services **Budget Unit** Various

MO HealthNet Division

MO HealthNet Cost to Continue **DI# 1886001**

| | | | | | | | |
|--|---------------------|--------------------|----------|---------------------|---------------------|------------------|-----------------------|
| Physician Services (11.455) | | | | | | | |
| FY16 cuts | (5,047,652) | 0 | 0 | (5,047,652) | (5,047,652) | | (5,047,652) |
| FY15 shortfall carried over into FY16 | (7,799,033) | (7,797,249) | 0 | (15,596,282) | (7,799,033) | (868,020) | (8,667,053) |
| Caseload/Utilization/Inflation in FY16 | (15,003,603) | | | (15,003,603) | (38,914,407) | | (38,914,407) |
| Total Physician Services | (27,850,288) | (7,797,249) | 0 | (35,647,537) | (51,761,092) | (868,020) | 0 (52,629,112) |

| | Department Request | | | |
|--|--------------------|------------------|----------|------------------|
| | GR | Federal | Other | Total |
| Dental Services (11.460) | | | | |
| FY16 cuts | 0 | 0 | 0 | 0 |
| Caseload/Utilization/Inflation in FY16 | 0 | (252,718) | 0 | (252,718) |
| Total Dental Services | 0 | (252,718) | 0 | (252,718) |

| Governor's Recommendation | | | |
|---------------------------|--------------------|----------|--------------------|
| GR | Federal | Other | Total |
| (131,003) | 0 | 0 | (131,003) |
| (460,474) | (1,080,904) | 0 | (1,541,378) |
| (591,477) | (1,080,904) | 0 | (1,672,381) |

| | | | | |
|--|--------------------|---------------------|----------|---------------------|
| Premium Payments (11.465) | | | | |
| FY16 cuts | (2,025,620) | 0 | 0 | (2,025,620) |
| FY15 shortfall carried over into FY16 | (1,099,247) | (1,897,855) | 0 | (2,997,102) |
| Part A and Part B Increases in FY16 | (1,473,763) | (2,833,443) | 0 | (4,307,206) |
| Caseload/Utilization/Inflation in FY16 | (1,999,744) | (8,350,985) | 0 | (10,350,729) |
| Total Premium Payments | (6,598,374) | (13,082,283) | 0 | (19,680,657) |

| | | | |
|--------------------|---------------------|----------|---------------------|
| (2,025,620) | 0 | 0 | (2,025,620) |
| (1,099,247) | (1,897,855) | 0 | (2,997,102) |
| (5,018,707) | (9,654,154) | 0 | (14,672,861) |
| (1,333,181) | (5,989,495) | 0 | (7,322,676) |
| (9,476,755) | (17,541,504) | 0 | (27,018,259) |

| | | | | |
|--------------------------------|----------|----------|----------|----------|
| Home Health (11.470) | | | | |
| Caseload/Utilization/Inflation | 0 | 0 | 0 | 0 |
| Total Home Health | 0 | 0 | 0 | 0 |

| | | | |
|-----------------|-----------------|----------|-----------------|
| (35,674) | (33,184) | 0 | (68,858) |
| (35,674) | (33,184) | 0 | (68,858) |

NEW DECISION ITEM
RANK: 6 OF 29

Department of Social Services **Budget Unit Various**
MO HealthNet Division
MO HealthNet Cost to Continue **DI# 1886001**

| | | | | | | | | | |
|---|-----------------|------------------|----------|------------------|-----------------|-----------------|----------|------------------|--|
| Program for All-Inclusive Care for the Elderly (PACE) (11.470) | | | | | | | | | |
| Caseload/Utilization/Inflation in FY16 | (50,165) | (173,156) | 0 | (223,321) | (25,165) | (83,432) | 0 | (108,597) | |
| Total PACE | (50,165) | (173,156) | 0 | (223,321) | (25,165) | (83,432) | 0 | (108,597) | |

| | | | | | | | | | |
|---|--------------------|----------|----------|--------------------|--------------------|----------|----------|--------------------|--|
| Rehabilitation and Specialty Services (11.485) | | | | | | | | | |
| FY16 cuts | (2,489,928) | 0 | 0 | (2,489,928) | (2,489,928) | 0 | 0 | (2,489,928) | |
| Caseload/Utilization/Inflation in FY16 | (5,830,261) | 0 | 0 | (5,830,261) | (3,882,854) | 0 | 0 | (3,882,854) | |
| Total Rehabilitation and Specialty Services | (8,320,189) | 0 | 0 | (8,320,189) | (6,372,782) | 0 | 0 | (6,372,782) | |

| | Department Request | | | |
|---|--------------------|----------|----------|--------------------|
| | GR | Federal | Other | Total |
| Non-Emergency Medical Transportation (NEMT) (11.485) | | | | |
| FY16 cuts | (1,776,659) | 0 | 0 | (1,776,659) |
| FY15 shortfall carried over into FY16 | (34,865) | 0 | 0 | (34,865) |
| Caseload in FY16 | (2,542,079) | 0 | 0 | (2,542,079) |
| Total NEMT | (4,353,603) | 0 | 0 | (4,353,603) |

| Governor's Recommendation | | | |
|---------------------------|----------|----------|--------------------|
| GR | Federal | Other | Total |
| (1,776,659) | 0 | 0 | (1,776,659) |
| (34,865) | 0 | 0 | (34,865) |
| (2,475,420) | 0 | 0 | (2,475,420) |
| (4,286,944) | 0 | 0 | (4,286,944) |

NEW DECISION ITEM
RANK: 6 OF 29

Department of Social Services **Budget Unit Various**
MO HealthNet Division
MO HealthNet Cost to Continue **DI# 1886001**

| Complex Rehabilitation Items (11.490) | | | | |
|--|-----------------|-----------------|----------|------------------|
| FY16 cuts | (88,355) | 0 | 0 | (88,355) |
| FY15 shortfall carried over into FY16 | 0 | (17,321) | 0 | (17,321) |
| Caseload/Utilization/Inflation in FY16 | 0 | (22,084) | 0 | (22,084) |
| Total Home Health | (88,355) | (39,405) | 0 | (127,760) |

| | | | |
|---|---|---|---|
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |

| Managed Care (11.505) | | | | |
|---------------------------------------|---------------------|---------------------|----------|---------------------|
| FY16 cuts | (10,555,943) | 0 | 0 | (10,555,943) |
| FY15 shortfall carried over into FY16 | (7,888,676) | (13,465,065) | 0 | (21,353,741) |
| Caseload in FY16 | (20,302,294) | (7,384,502) | 0 | (27,686,796) |
| Total Managed Care | (38,746,913) | (20,849,567) | 0 | (59,596,480) |

| | | | |
|---------------------|---------------------|----------|---------------------|
| (10,555,943) | 0 | 0 | (10,555,943) |
| (7,888,676) | (13,465,065) | 0 | (21,353,741) |
| (7,315,098) | (7,384,667) | 0 | (14,699,765) |
| (25,759,717) | (20,849,732) | 0 | (46,609,449) |

| Hospital Care (11.510) | | | | |
|---------------------------------------|---------------------|---------------------|----------|---------------------|
| FY16 cuts/fund switches | (4,543,753) | 0 | 0 | (4,543,753) |
| FY15 shortfall carried over into FY16 | (11,736,331) | (11,190,528) | 0 | (22,926,859) |
| Caseload/Utilization/Inflation | (15,868,594) | 0 | 0 | (15,868,594) |
| Total Need | (32,148,678) | (11,190,528) | 0 | (43,339,206) |
| Savings from LANE adjustment | 0 | 0 | 0 | 0 |
| Total Hospital Care | (32,148,678) | (11,190,528) | 0 | (43,339,206) |

| | | | |
|---------------------|--------------------|----------|---------------------|
| (4,543,753) | 0 | 0 | (4,543,753) |
| (11,736,331) | (3,802,963) | 0 | (15,539,294) |
| (24,301,265) | 0 | 0 | (24,301,265) |
| (40,581,349) | (3,802,963) | 0 | (44,384,312) |
| 3,754,717 | 0 | 0 | 3,754,717 |
| (36,826,632) | (3,802,963) | 0 | (40,629,595) |

NEW DECISION ITEM
RANK: 6 OF 29

Department of Social Services **Budget Unit** Various
MO HealthNet Division
MO HealthNet Cost to Continue **DI# 1886001**

| | Department Request | | | |
|--|----------------------|----------------------|------------------|----------------------|
| | GR | Federal | Other | Total |
| Nursing Facility Reimbursement Allowance (11.585) | | | | |
| Caseload/Utilization/Inflation | 0 | 0 | (931,039) | (931,039) |
| Total Home Health | 0 | 0 | (931,039) | (931,039) |
| Blind Pension Medical Benefits (11.600) | | | | |
| FY16 cuts | (725,266) | 0 | 0 | (725,266) |
| FY15 shortfall carried over into FY16 | (1,656,459) | 0 | 0 | (1,656,459) |
| Caseload/Utilization/Inflation in FY16 | (1,155,713) | 0 | 0 | (1,155,713) |
| Total Blind Pension Medical | (3,537,438) | 0 | 0 | (3,537,438) |
| TOTAL | (197,712,655) | (129,028,023) | (931,039) | (327,671,717) |

| Governor's Recommendation | | | |
|---------------------------|----------------------|--------------------|----------------------|
| GR | Federal | Other | Total |
| | | | |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| (725,266) | 0 | 0 | (725,266) |
| (1,656,459) | 0 | 0 | (1,656,459) |
| (759,943) | 0 | 0 | (759,943) |
| (3,141,668) | 0 | 0 | (3,141,668) |
| (190,454,020) | (121,546,172) | (6,895,680) | (318,895,872) |

| NEW DECISION ITEM | | | | | | | | | |
|--|---------------------------|-----------------------|----------------------------|------------------------|------------------------------|--------------------------|------------------------------|--------------------------|---------------------|
| RANK: <u>6</u> OF <u>29</u> | | | | | | | | | |
| Department of Social Services | | | | | Budget Unit <u>Various</u> | | | | |
| MO HealthNet Division | | | | | | | | | |
| MO HealthNet Cost to Continue | | | | | DI# 1886001 | | | | |
| 5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS. | | | | | | | | | |
| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Req One- Time |
| | | | | | | | 0 | 0.0 | |
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| | | | | | | | 0 | | |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 197,712,655 | | 129,028,023 | | 931,039 | | 327,671,717 | | |
| Total PSD | 197,712,655 | | 129,028,023 | | 931,039 | | 327,671,717 | | 0 |
| Transfers | | | | | | | 0 | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 197,712,655 | 0.0 | 129,028,023 | 0.0 | 931,039 | 0.0 | 327,671,717 | 0.0 | 0 |

NEW DECISION ITEM
RANK: 6 OF 29

| | |
|--------------------------------------|----------------------------|
| Department of Social Services | Budget Unit Various |
| MO HealthNet Division | |
| MO HealthNet Cost to Continue | DI# 1886001 |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One- Time DOLL ARS |
|-------------------------------|--------------------------|----------------------|---------------------------|-----------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|---|
| | | | | | | | 0 | 0.0 | |
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 190,454,020 | | 121,546,172 | | 6,895,680 | | 318,895,872 | | |
| Total PSD | 190,454,020 | | 121,546,172 | | 6,895,680 | | 318,895,872 | | 0 |
| Transfers | | | | | | | 0 | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 190,454,020 | 0.0 | 121,546,172 | 0.0 | 6,895,680 | 0.0 | 318,895,872 | 0.0 | 0 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|----------------------|-------------|----------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 136,104,687 | 0.00 | 121,012,970 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 136,104,687 | 0.00 | 121,012,970 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$136,104,687 | 0.00 | \$121,012,970 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$60,461,570 | 0.00 | \$36,830,857 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$75,643,117 | 0.00 | \$77,286,433 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$6,895,680 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY-MED PART D-CLAWBACK | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 15,557,082 | 0.00 | 15,345,257 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 15,557,082 | 0.00 | 15,345,257 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$15,557,082 | 0.00 | \$15,345,257 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$15,557,082 | 0.00 | \$15,345,257 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHYSICIAN RELATED PROF | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 35,647,537 | 0.00 | 52,629,112 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 35,647,537 | 0.00 | 52,629,112 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$35,647,537 | 0.00 | \$52,629,112 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$27,850,288 | 0.00 | \$51,761,092 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$7,797,249 | 0.00 | \$868,020 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| DENTAL | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 252,718 | 0.00 | 1,672,381 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 252,718 | 0.00 | 1,672,381 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$252,718 | 0.00 | \$1,672,381 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$591,477 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$252,718 | 0.00 | \$1,080,904 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PREMIUM PAYMENTS | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 19,680,657 | 0.00 | 27,018,259 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 19,680,657 | 0.00 | 27,018,259 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$19,680,657 | 0.00 | \$27,018,259 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$6,598,374 | 0.00 | \$9,476,755 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$13,082,283 | 0.00 | \$17,541,504 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|------------|-------------|-----------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| HOME HEALTH | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 68,858 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 68,858 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$68,858 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$35,674 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$33,184 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|------------------|-------------|------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PACE | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 223,321 | 0.00 | 108,597 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 223,321 | 0.00 | 108,597 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$223,321 | 0.00 | \$108,597 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$50,165 | 0.00 | \$25,165 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$173,156 | 0.00 | \$83,432 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| REHAB AND SPECIALTY SERVICES | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 8,320,189 | 0.00 | 6,372,782 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 8,320,189 | 0.00 | 6,372,782 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$8,320,189 | 0.00 | \$6,372,782 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$8,320,189 | 0.00 | \$6,372,782 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| NON-EMERGENCY TRANSPORT | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 4,353,603 | 0.00 | 4,286,944 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 4,353,603 | 0.00 | 4,286,944 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$4,353,603 | 0.00 | \$4,286,944 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$4,353,603 | 0.00 | \$4,286,944 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|------------------|-------------|------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| COMPLEX REHAB TECHNLOGY PRDUCTS | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 127,760 | 0.00 | 0 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 127,760 | 0.00 | 0 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$127,760 | 0.00 | \$0 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$88,355 | 0.00 | | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$39,405 | 0.00 | | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MANAGED CARE | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 59,596,480 | 0.00 | 46,609,449 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 59,596,480 | 0.00 | 46,609,449 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$59,596,480 | 0.00 | \$46,609,449 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$38,746,913 | 0.00 | \$25,759,717 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$20,849,567 | 0.00 | \$20,849,732 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| HOSPITAL CARE | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 43,339,206 | 0.00 | 40,629,595 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 43,339,206 | 0.00 | 40,629,595 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$43,339,206 | 0.00 | \$40,629,595 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$32,148,678 | 0.00 | \$36,826,632 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$11,190,528 | 0.00 | \$3,802,963 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-------------------------------------|---------|---------|---------|---------|-----------|----------|---------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| NURSING FACILITY FED REIMB AL | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 931,039 | 0.00 | 0 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 931,039 | 0.00 | 0 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$931,039 | 0.00 | \$0 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$931,039 | 0.00 | | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| BLIND PENSION MEDICAL BENEFITS | | | | | | | | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 3,537,438 | 0.00 | 3,141,668 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 3,537,438 | 0.00 | 3,141,668 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$3,537,438 | 0.00 | \$3,141,668 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$3,537,438 | 0.00 | \$3,141,668 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

NEW DECISION ITEM
RANK: 10 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Specialty

Budget Unit 90541C
DI# 1886002

1. AMOUNT OF REQUEST

| FY 2017 Budget Request | | | | |
|------------------------|-------------------|-------------------|----------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 50,683,254 | 89,080,864 | | 139,764,118 |
| TRF | | | | |
| Total | 50,683,254 | 89,080,864 | 0 | 139,764,118 |
| | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|-------------------|-------------------|-------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 50,815,160 | 88,948,958 | | 139,764,118 |
| TRF | | | | |
| Total | 50,815,160 | 88,948,958 | | 139,764,118 |
| | | | | |
| FTE | | | | 0.00 |

| | | | | |
|--|---|---|---|---|
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|--|--|--|
| <input type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input checked="" type="checkbox"/> Other: Inflation/Utilization | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funds are needed to address the anticipated increases in the pharmacy program due to new drugs, therapies and inflation.

This decision item requests funding for the ongoing inflation of pharmaceuticals and the anticipated increase in pharmacy expenditures attributed to specialty drugs. Specialty drugs account for the majority of the projected increase in pharmacy expenditures.

State Statute: 208.201 RSMo.; Federal Law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

NEW DECISION ITEM
RANK: 10 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Specialty

Budget Unit: 90541C
DI# 1886002

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

MHD utilized industry sources, Express Scripts (ESI) Trend Report and CVS Caremark Insights Report, in support of the decision item.

Specialty drugs account for the majority of the projected increase in pharmacy expenditures. Specialty drugs treat complex chronic and/or life threatening conditions. Specialty drugs are often the first effective treatment of a condition. Many specialty products face little market competition and target a small patient population, thus they have a high cost per unit. Most specialty products are complex "biologics" and not easily copied, making introduction of generics a long, slow process. Typically, specialty drugs require special storage, handling and administration. They may also require detailed patient instructions and adherence monitoring from qualified healthcare providers. Additionally, there is generally pent up demand for a specialty drug, making the first few years of use very expensive.

The major contributors of the increase in specialty spend are brand inflation and accelerating development of expensive, highly targeted therapies. The top specialty drug therapy classes are inflammatory conditions, multiple sclerosis, oncology, and hepatitis C. These specialty therapy classes account for 68% of the total specialty drug spend in the commercial market. Highlights for these classes are:

- Inflammatory Conditions - such as rheumatoid arthritis, psoriasis and Crohn's disease will increase due to the expansion of indications for current therapies, movement of therapy from medical settings to pharmacy, and increasing numbers of patients newly diagnosed with inflammatory conditions.
- Multiple Sclerosis – moderate inflation rates will contribute to the rising costs of treating MS in the next few years. Ponesimod, a new pipeline drug that might be launched in 2017, may increase spend as well.
- Oncology – year over year trend forecast for oncology medications is based on continuations of brand inflation and brand drug innovation; both will increase utilization. Multiple therapies can be used sequentially or as combination treatment-leading to increased utilization.
- Hepatitis C – in the next three years, further significant increases in the PMPY trend for treatments will result from increases in utilization and brand inflation. Large cost increases in 2014 were associated with the introduction of four highly effective therapies to the U.S. market.

Additional "blockbuster" drugs (i.e. \$1 billion dollars each in sales) not included in the categories above that have hit the market this year include:

- Two medications for cystic fibrosis (>\$300,000 each per patient per year)
- Two new medications for lowering cholesterol (~ \$14,600 per patient per year)
- Breakthrough treatment for Heart Failure (~ \$4,500 per patient per year)

Industry sources indicate the percent of specialty spend in the commercial market has increased from 17.6% in 2011 to 31.8% in 2014 and is expected to grow to 44% in the commercial market in the next three years. The percent of specialty spend in MHD expenditures has been 38.6% for FY13 and FY14, 44.5% in FY15, but is expected to grow to 52.5% in FY17. The difference in the specialty rates between MHD and the commercial market is due to the MHD caseload mix. Based on the industry sources (ESI & CVS Caremark), MHD assumed a specialty trend of 19.725% in FY16 and 19.275% in FY17.

NEW DECISION ITEM
RANK: 10 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Specialty

Budget Unit: 90541C

DI# 1886002

Specialty Drugs

| | |
|------------|---------|
| FY16 Trend | 19.725% |
| FY17 Trend | 19.275% |

| | Specialty - Dept Request | | | | Specialty - Governor's Recommendation | | | |
|-----------------------------------|--------------------------|----------------------|---------------------|---------------------------|---------------------------------------|---------------------|---------------------|---------------|
| | OAA | PTD | Others | Total | OAA | PTD | Others | Total |
| FY15 PMPM (actual) | \$284.35 | \$619.18 | \$60.86 | | \$284.35 | \$619.18 | \$60.86 | |
| Specialty Rate | 52.50% | 52.50% | 52.50% | | 52.50% | 52.50% | 52.50% | |
| Subtotal | \$149.28 | \$325.07 | \$31.95 | | \$149.28 | \$325.07 | \$31.95 | |
| FY16 PMPM Trend Rat | 19.725% | 19.725% | 19.725% | | 19.725% | 19.725% | 19.725% | |
| Increase in PMPM | \$29.45 | \$64.12 | \$6.30 | | \$29.45 | \$64.12 | \$6.30 | |
| FY16 Estimate | \$178.73 | \$389.19 | \$38.25 | | \$178.73 | \$389.19 | \$38.25 | |
| FY17 PMPM Trend Rat | 19.275% | 19.275% | 19.275% | | 19.275% | 19.275% | 19.275% | |
| FY17 Estimate | \$34.45 | \$75.02 | \$7.37 | | \$34.45 | \$75.02 | \$7.37 | |
| Members | 9,381 | 85,983 | 667,588 | | 9,381 | 85,983 | 667,588 | |
| Monthly Cost | \$323,188 | \$6,450,473 | \$4,920,124 | | \$323,188 | \$6,450,473 | \$4,920,124 | |
| 12 Months | 12 | 12 | 12 | | 12 | 12 | 12 | |
| Yearly Cost | \$3,878,256 | \$77,405,676 | \$59,041,488 | \$140,325,420 | \$3,878,256 | \$77,405,676 | \$59,041,488 | \$140,325,420 |
| Pharmacy expenditures by program: | Dept. Request | | | Governor's Recommendation | | | | |
| | FMAPs | Total | GR | FF | Total | GR | FF | |
| Blind Pension Medical* | 0.00% | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 |
| CHIP | 74.33% | \$4,911,390 | \$1,260,754 | \$3,650,636 | \$4,911,390 | \$1,264,683 | \$3,646,707 | |
| Women's Health | 90.00% | \$140,325 | \$14,033 | \$126,293 | \$140,325 | \$14,032 | \$126,293 | |
| Pharmacy | 63.32% | \$134,712,403 | \$49,408,468 | \$85,303,935 | \$134,712,403 | \$49,536,445 | \$85,175,958 | |
| | | \$139,764,118 | \$50,683,254 | \$89,080,864 | \$139,764,118 | \$50,815,160 | \$88,948,958 | |

*Pharmacy inflationary costs associated with the Blind Medical population are anticipated to be absorbed within the current appropriation and cost-to-continue.

NEW DECISION ITEM

RANK: 10 OF 29

Department: Social Services

Budget Unit: 90541C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Specialty

DI# 1886002

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
|-------------------------------|---------------------|-----------------|----------------------|------------------|------------------------|--------------------|------------------------|--------------------|---------------------------|
| | 0 | | | | | | 0 | 0.0 | |
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| | | | | | | | 0 | | |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | \$50,683,254 | | 89,080,864 | | | | 139,764,118 | | |
| Total PSD | 50,683,254 | | 89,080,864 | | 0 | | 139,764,118 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 50,683,254 | 0.0 | 89,080,864 | 0.0 | 0 | 0.0 | 139,764,118 | 0.0 | 0 |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|--------------------|----------------|---------------------|-----------------|-----------------------|-------------------|-----------------------|-------------------|--------------------------|
| | | | | | | | 0 | 0.0 | |
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| | | | | | | | 0 | | |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 50,815,160 | | 88,948,958 | | | | 139,764,118 | | |
| Total PSD | 50,815,160 | | 88,948,958 | | 0 | | 139,764,118 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 50,815,160 | 0.0 | 88,948,958 | 0.0 | 0 | 0.0 | 139,764,118 | 0.0 | 0 |

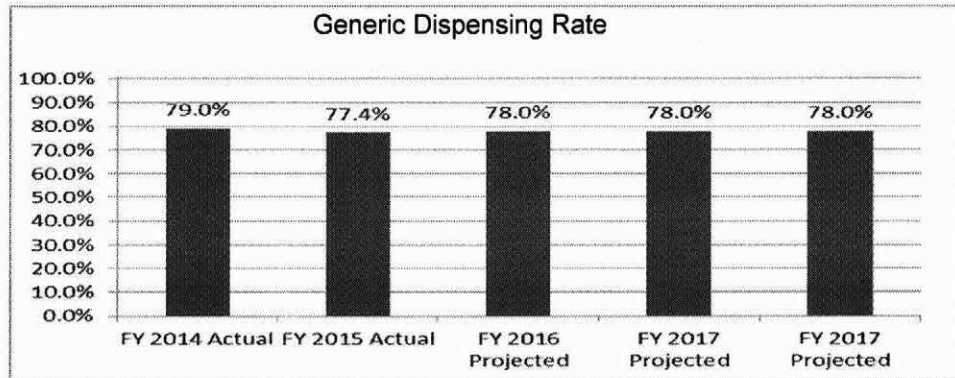
NEW DECISION ITEM
RANK: 10 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Specialty

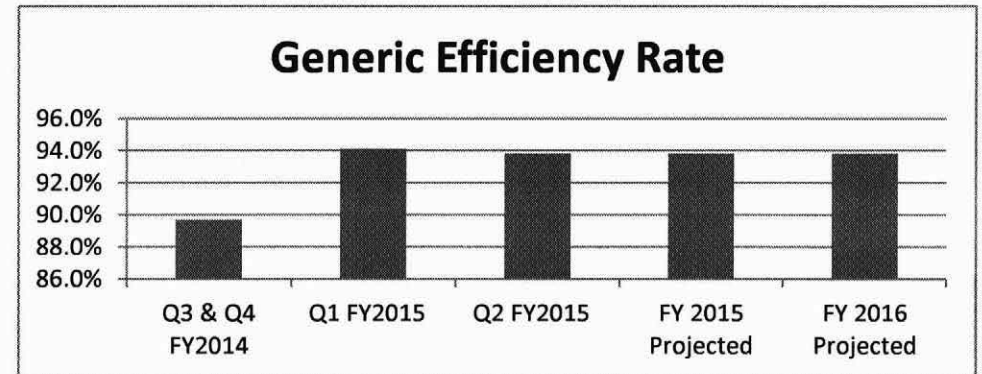
Budget Unit: 90541C
DI# 1886002

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an effectiveness measure.

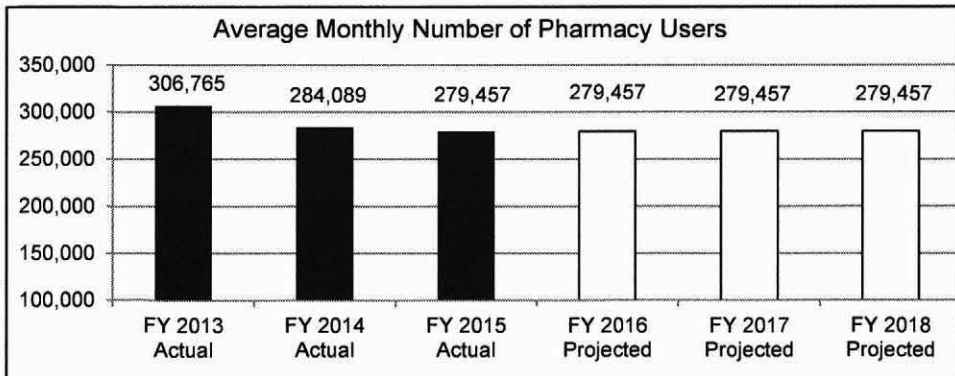


6b. Provide an efficiency measure.



The data was obtained from the Mercer quarterly report.

6c. Provide the number of clients/individuals served, if applicable.



6d. Provide a customer satisfaction measure, if available.

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|----------------------|-------------|----------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY | | | | | | | | |
| Pharmacy PMPM-Specialty - 1886002 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 134,712,403 | 0.00 | 134,712,403 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 134,712,403 | 0.00 | 134,712,403 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$134,712,403 | 0.00 | \$134,712,403 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$49,408,468 | 0.00 | \$49,536,445 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$85,303,935 | 0.00 | \$85,175,958 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|------------------|-------------|------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| WOMEN'S HEALTH SRVC | | | | | | | | |
| Pharmacy PMPM-Specialty - 1886002 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 140,325 | 0.00 | 140,325 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 140,325 | 0.00 | 140,325 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$140,325 | 0.00 | \$140,325 | 0.00 |
| GENERAL REVENUE | | | | | | | | |
| | \$0 | 0.00 | \$0 | 0.00 | \$14,032 | 0.00 | \$14,032 | 0.00 |
| FEDERAL FUNDS | | | | | | | | |
| | \$0 | 0.00 | \$0 | 0.00 | \$126,293 | 0.00 | \$126,293 | 0.00 |
| OTHER FUNDS | | | | | | | | |
| | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| CHILDREN'S HEALTH INS PROGRAM | | | | | | | | |
| Pharmacy PMPM-Specialty - 1886002 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 4,911,390 | 0.00 | 4,911,390 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 4,911,390 | 0.00 | 4,911,390 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$4,911,390 | 0.00 | \$4,911,390 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$1,260,754 | 0.00 | \$1,264,683 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$3,650,636 | 0.00 | \$3,646,707 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

NEW DECISION ITEM

RANK: 11

OF: 29

Department: Social Services

Budget Unit 90541C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Non Specialty

DI # 1886003

1. AMOUNT OF REQUEST

| | FY 2017 Budget Request | | | |
|--------------|------------------------|-------------------|----------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 12,044,992 | 21,170,273 | 0 | 33,215,265 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 12,044,992 | 21,170,273 | 0 | 33,215,265 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

| | FY 2017 Governor's Recommendation | | | |
|--------------|-----------------------------------|-------------------|----------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 12,076,340 | 21,138,925 | 0 | 33,215,265 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 12,076,340 | 21,138,925 | 0 | 33,215,265 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|--|--|--|
| <input type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input checked="" type="checkbox"/> Other: Inflation/Utilization | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funds are needed to address the anticipated increases in the pharmacy program due to new drugs, therapies and inflation.

This decision item requests funding for the ongoing inflation of pharmaceuticals and the anticipated increase in pharmacy expenditures attributed to non-specialty drugs.

State Statute: 208.201 RSMo.; Federal Law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

Department: Social Services
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Non Specialty

Budget Unit 90541C
DI # 1886003

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The Pharmacy PMPM NDI is broken down into two components: Specialty and Non Specialty. Two industry sources, the Express Scripts (ESI) Trend Report and the CVS Caremark Insights Report, were used to project MO HealthNet pharmacy costs. These sources project the following trend for 2017 Non-Specialty Pharmacy PMPM

Non-Specialty Drugs

| | |
|------------|-------|
| FY16 Trend | 4.60% |
| FY17 Trend | 5.80% |

| Non-Specialty Drugs - Dept Request | | | | | Non-Specialty Drugs - Governor's Recommendation | | | | |
|------------------------------------|-----------|--------------|--------------|--------------|---|------------|--------------|--------------|--------------|
| | OAA | PTD | Others | Total | | OAA | PTD | Others | Total |
| FY15 PMPM (actual) | \$284.35 | \$619.18 | \$60.86 | | FY15 PMPM | \$284.35 | \$619.18 | \$60.86 | |
| Non Specialty Rate | 47.50% | 47.50% | 47.50% | | Non Specialty Rate | 47.50% | 47.50% | 47.50% | |
| Subtotal | \$135.07 | \$294.11 | \$28.91 | | Subtotal | \$135.07 | \$294.11 | \$28.91 | |
| FY16 PMPM Trend Rate | 4.60% | 4.60% | 4.60% | | FY16 PMPM Trend Rate | 4.60% | 4.60% | 4.60% | |
| Increase in PMPM | \$6.21 | \$13.53 | \$1.33 | | Increase in PMPM | \$6.21 | \$13.53 | \$1.33 | |
| FY16 Estimate | \$141.28 | \$307.64 | \$30.24 | | FY16 Estimate | \$141.28 | \$307.64 | \$30.24 | |
| FY17 PMPM Trend Rate | 5.80% | 5.80% | 5.80% | | FY17 PMPM Trend Rate | 5.80% | 5.80% | 5.80% | |
| FY17 Estimate | \$8.19 | \$17.84 | \$1.75 | | FY17 Estimate | \$8.19 | \$17.84 | \$1.75 | |
| Members | 9,381 | 85,983 | 667,588 | | Members | 9,381 | 85,983 | 667,588 | |
| Monthly Cost | \$76,833 | \$1,533,943 | \$1,168,279 | | Monthly Cost | \$76,833 | \$1,533,943 | \$1,168,279 | |
| 12 Months | 12 | 12 | 12 | | 12 Months | 12 | 12 | 12 | |
| Yearly Cost | \$921,996 | \$18,407,316 | \$14,019,348 | \$33,348,660 | Yearly Cost | \$921,996 | \$18,407,316 | \$14,019,348 | \$33,348,660 |
| Dept Request | | | | | Governor's Recommendation | | | | |
| Pharmacy expenditures by program: | FMAPs | Total | GR | FF | Total | GR | FF | | |
| Blind Pen Medical* | 0.00% | - | - | - | | | | | |
| CHIP | 74.33% | 1,167,203 | 299,621 | 867,582 | 1,167,203 | 300,555 | 866,648 | | |
| Women's Health | 90.00% | 33,349 | 3,335 | 30,014 | 33,349 | 3,335 | 30,014 | | |
| Pharmacy | 63.32% | 32,014,713 | 11,742,036 | 20,272,677 | 32,014,713 | 11,772,450 | 20,242,263 | | |
| | | 33,215,265 | 12,044,992 | 21,170,273 | 33,215,265 | 12,076,340 | 21,138,925 | | |

*Pharmacy inflationary costs associated with the Blind Medical population are anticipated to be absorbed within the current appropriation and cost-to-continue.

NEW DECISION ITEM

RANK: 11

OF: 29

Department: Social Services

Budget Unit 90541C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Non Specialty

DI # 1886003

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
|-------------------------------|---------------------|-----------------|----------------------|------------------|------------------------|--------------------|------------------------|--------------------|---------------------------|
| Total PS | | 0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 12,044,992 | | 21,170,273 | | | | 33,215,265 | | |
| Total PSD | 12,044,992 | | 21,170,273 | | 0 | | 33,215,265 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 12,044,992 | 0.0 | 21,170,273 | 0.0 | 0 | 0.0 | 33,215,265 | 0.0 | 0 |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|--------------------|----------------|---------------------|-----------------|-----------------------|-------------------|-----------------------|-------------------|--------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 12,076,340 | | 21,138,925 | | | | 33,215,265 | | |
| Total PSD | 12,076,340 | | 21,138,925 | | 0 | | 33,215,265 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 12,076,340 | 0.0 | 21,138,925 | 0.0 | 0 | 0.0 | 33,215,265 | 0.0 | 0 |

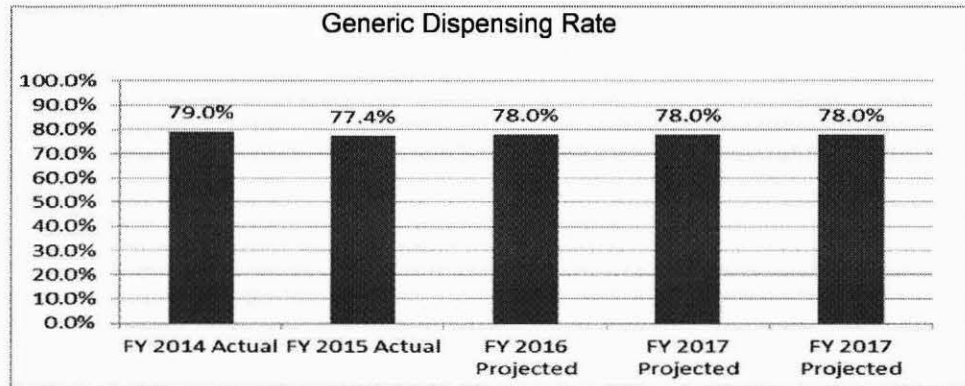
NEW DECISION ITEM
RANK: 11 OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Non Specialty

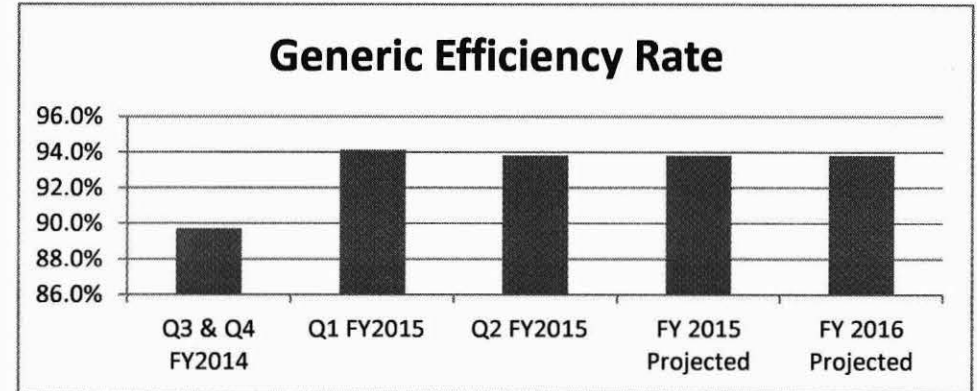
Budget Unit: 90541C
DI # 1886003

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an effectiveness measure.

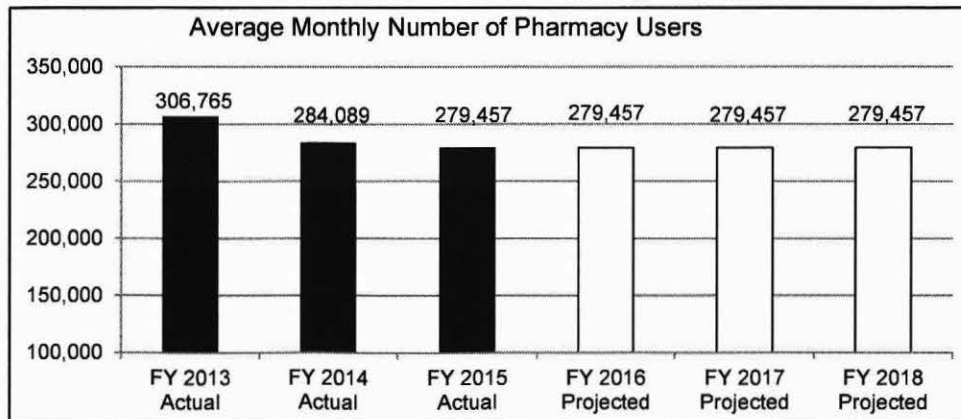


6b. Provide an efficiency measure.



The data was obtained from the Mercer quarterly report.

6c. Provide the number of clients/individuals served, if applicable.



6d. Provide a customer satisfaction measure, if available.

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------------------|---------|---------|---------|---------|--------------|----------|--------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY | | | | | | | | |
| Pharmacy PMPM-Non-Specialty - 1886003 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 32,014,713 | 0.00 | 32,014,713 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 32,014,713 | 0.00 | 32,014,713 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$32,014,713 | 0.00 | \$32,014,713 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$11,742,036 | 0.00 | \$11,772,450 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$20,272,677 | 0.00 | \$20,242,263 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|-----------------|-------------|-----------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| WOMEN'S HEALTH SRVC | | | | | | | | |
| Pharmacy PMPM-Non-Specialty - 1886003 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 33,349 | 0.00 | 33,349 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 33,349 | 0.00 | 33,349 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$33,349 | 0.00 | \$33,349 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$3,335 | 0.00 | \$3,335 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$30,014 | 0.00 | \$30,014 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| CHILDREN'S HEALTH INS PROGRAM | | | | | | | | |
| Pharmacy PMPM-Non-Specialty - 1886003 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 1,167,203 | 0.00 | 1,167,203 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 1,167,203 | 0.00 | 1,167,203 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$1,167,203 | 0.00 | \$1,167,203 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$299,621 | 0.00 | \$300,555 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$867,582 | 0.00 | \$866,648 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

Managed Care Actuarial
Increase

NEW DECISION ITEM
RANK: 12 OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase

Budget Unit: 90551C
DI#: 1886004

1. AMOUNT OF REQUEST

| | FY 2017 Budget Request | | | |
|--------------|------------------------|-------------------|-------------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 17,910,433 | 31,017,366 | 0 | 48,927,799 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 17,910,433 | 31,017,366 | 0 | 48,927,799 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

| | FY 2017 Governor's Recommendation | | | |
|--------------|-----------------------------------|-------------------|-------------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 7,935,877 | 13,797,362 | 0 | 21,733,239 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 7,935,877 | 13,797,362 | 0 | 21,733,239 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|---|---|--|
| <input checked="" type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input checked="" type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input checked="" type="checkbox"/> Other: Actuarial Increase | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding is needed to fund an increase for managed care medical, newborn delivery, and Neonatal Intensive Care Unit (NICU) services to ensure that managed care payments are actuarially sound. Funding is for the Eastern, Central and Western regions for July 2016 through June 2017.

MO HealthNet needs to maintain capitation rates at a sufficient level to ensure continued health plan and provider participation. The Federal Authority is Social Security Act Section 1915(b) and 1115 Waiver. The Federal Regulation is 42 CFR 438-Managed Care, and the State Authority is 208.166 RSMo. Final rules and regulations published June 14, 2002, effective August 13, 2003, require that capitation payments made on behalf of managed care participants be actuarially sound. Further, the state must provide the actuarial certification of the capitation rates to the CMS. The CMS Regional Office must review and approve all contracts for managed care as a condition for federal financial participation.

NEW DECISION ITEM

RANK: 12 OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase

Budget Unit: 90551C
DI#: 1886004

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number

The chart below indicates the projected need for all medical services as well as the births of children and Neonatal Intensive Care Unit (NICU) care for newborns in need of specialized care. Pharmacy benefits were carved out of managed care beginning October 1, 2009; therefore, participants receive their pharmacy benefits through the fee-for-service program. The managed care trend factor is calculated by region and is based on the number of months in the contract period that fall in FY 2017. No trend is applied to the managed care expansion region. Three efficiency adjustments were made in SFY 2011: Low-Acuity Non-Emergency (LANE), Potentially Preventable Hospital Admissions (PPA), and Risk Adjusted Efficiency (RAE). The total cost is estimated at \$48,927,215 as follows:

| Program | Region | FY16 | FY17 | Difference | Participants | Contract Months in FY16 | Total |
|--|---------|--------------|--------------|--------------|--------------|----------------------------|----------------------------|
| Medical-Managed Care | Eastern | \$216.80 | \$223.71 | \$6.91 | 212,026 | 12 | \$17,581,196 |
| Medical-Managed Care | Central | \$227.04 | \$240.66 | \$13.62 | 84,223 | 12 | \$13,765,407 |
| Medical-Managed Care | Western | \$239.02 | \$246.67 | \$7.65 | 140,645 | 12 | \$12,911,211 |
| <i>subtotal Managed Care</i> | | | | | | | \$44,257,814 |
| Medical TIXXI CHIP-Child | Eastern | \$162.74 | \$168.11 | \$5.37 | 2,904 | 12 | \$187,134 |
| Medical TIXXI CHIP-Child | Central | \$160.28 | \$169.74 | \$9.46 | 1,512 | 12 | \$171,642 |
| Medical TIXXI CHIP-Child | Western | \$178.55 | \$184.26 | \$5.71 | 2,161 | 12 | \$148,072 |
| <i>subtotal TIXXI CHIP Children</i> | | | | | | | \$506,848 |
| Total Need Medical Trend | | | | | | | \$44,764,662 |
| Deliveries-Managed Care and CHIP | Eastern | \$5,419.89 | \$5,501.19 | \$81.30 | 828 | 12 | \$807,797 |
| Deliveries-Managed Care and CHIP | Central | \$4,408.40 | \$4,602.37 | \$193.97 | 330 | 12 | \$768,121 |
| Deliveries-Managed Care and CHIP | Western | \$4,477.29 | \$4,557.88 | \$80.59 | 539 | 12 | \$521,256 |
| <i>subtotal Managed Care and CHIP Deliveries</i> | | | | | | | \$2,097,174 |
| Total Need Deliveries Trend | | | | | | | \$2,097,174 |
| NICU-Managed Care and CHIP | Eastern | \$203,267.77 | \$208,959.27 | \$5,691.50 | 16 | 12 | \$1,092,768 |
| NICU-Managed Care and CHIP | Central | \$175,406.70 | \$186,808.14 | \$11,401.44 | 4 | 12 | \$547,269 |
| NICU-Managed Care and CHIP | Western | \$181,091.02 | \$186,161.57 | \$5,070.55 | 7 | 12 | \$425,926 |
| <i>subtotal Managed Care and CHIP Deliveries</i> | | | | | | | \$2,065,963 |
| Total Need NICU Trend | | | | | | | \$2,065,963 |
| <i>*The Governor's recommendation reduced the request by \$10M GR and \$17.2M federal funds to account for savings associated with the Health Insurer Fee not being applied to managed care companies.</i> | | | | | | | |
| Total Need Medical, Deliveries and NICU | | | | | | | <u>\$48,927,799</u> |
| Managed Care | Total | \$48,420,951 | \$17,780,173 | \$30,640,778 | | | |
| CHIP | Total | \$506,848 | \$130,260 | \$376,588 | | | |
| | Total | \$48,927,799 | \$17,910,433 | \$31,017,366 | | | |

NEW DECISION ITEM

RANK: 12 OF: 29

Department: Social Services

Budget Unit: 90551C

Division: MO HealthNet

DI Name: Managed Care Actuarial Increase

DI#: 1886004

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
|-------------------------------|---------------------|-----------------|----------------------|------------------|------------------------|--------------------|------------------------|--------------------|---------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 17,910,433 | | 31,017,366 | | | | 48,927,799 | | |
| Total PSD | 17,910,433 | | 31,017,366 | | 0 | | 48,927,799 | | 0 |
| Transfers | | | | | | | 0 | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 17,910,433 | 0.0 | 31,017,366 | 0.0 | 0 | 0.0 | 48,927,799 | 0.0 | 0 |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|--------------------|----------------|---------------------|-----------------|-----------------------|-------------------|-----------------------|-------------------|--------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 7,935,877 | | 13,797,362 | | | | 21,733,239 | | |
| Total PSD | 7,935,877 | | 13,797,362 | | 0 | | 21,733,239 | | 0 |
| Transfers | | | | | | | 0 | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 7,935,877 | 0.0 | 13,797,362 | 0.0 | 0 | 0.0 | 21,733,239 | 0.0 | 0 |

NEW DECISION ITEM
RANK: 12 OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase

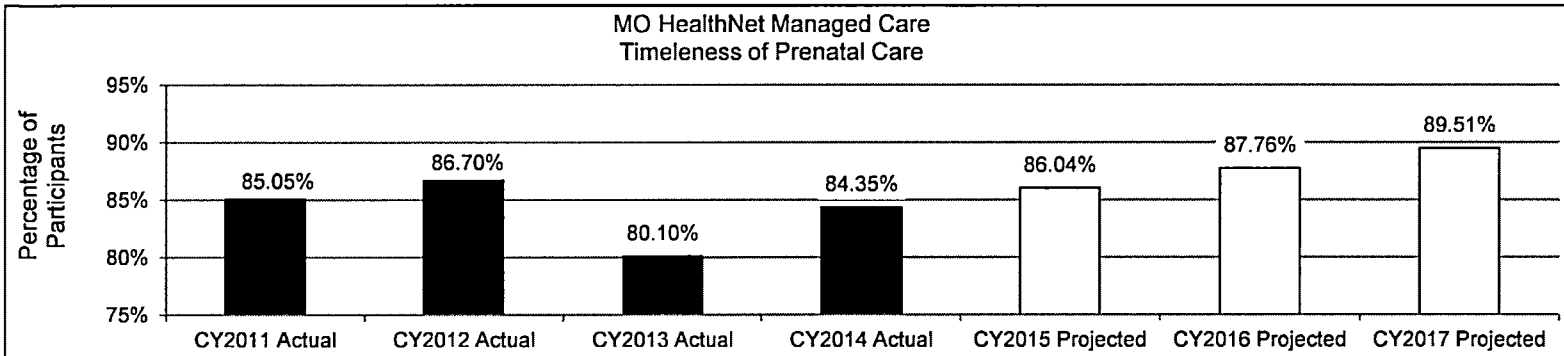
Budget Unit: 90551C
DI#: 1886004

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

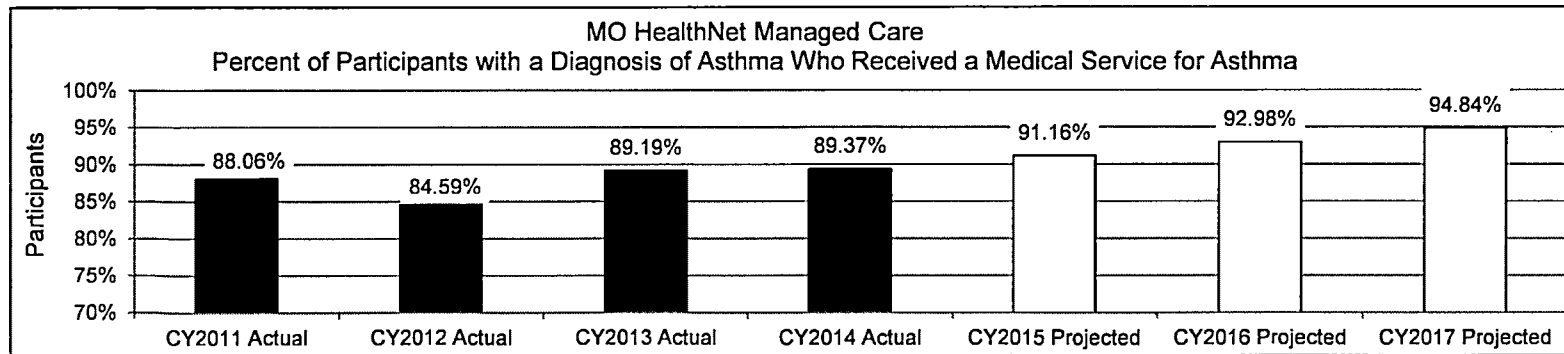
Prenatal care is important for monitoring the progress of pregnancy and to identify risk factors for the mother or baby before they become serious and lead to poor outcomes and more expensive health care costs. The diagnosis and treatment of chronic conditions also reduces more expensive health care costs that could result when conditions are left untreated.

6a. Provide an effectiveness measure.

Increase the percentage of women receiving prenatal care. The percentage of women who received prenatal care within the first trimester or within 42 days of enrollment in a health plan was 80.10% in 2013



Increase the percentage of participants with chronic conditions who receive treatment for their condition. The percentage of participants with a diagnosis of asthma who received a medical service for asthma was 89.19% in 2013.



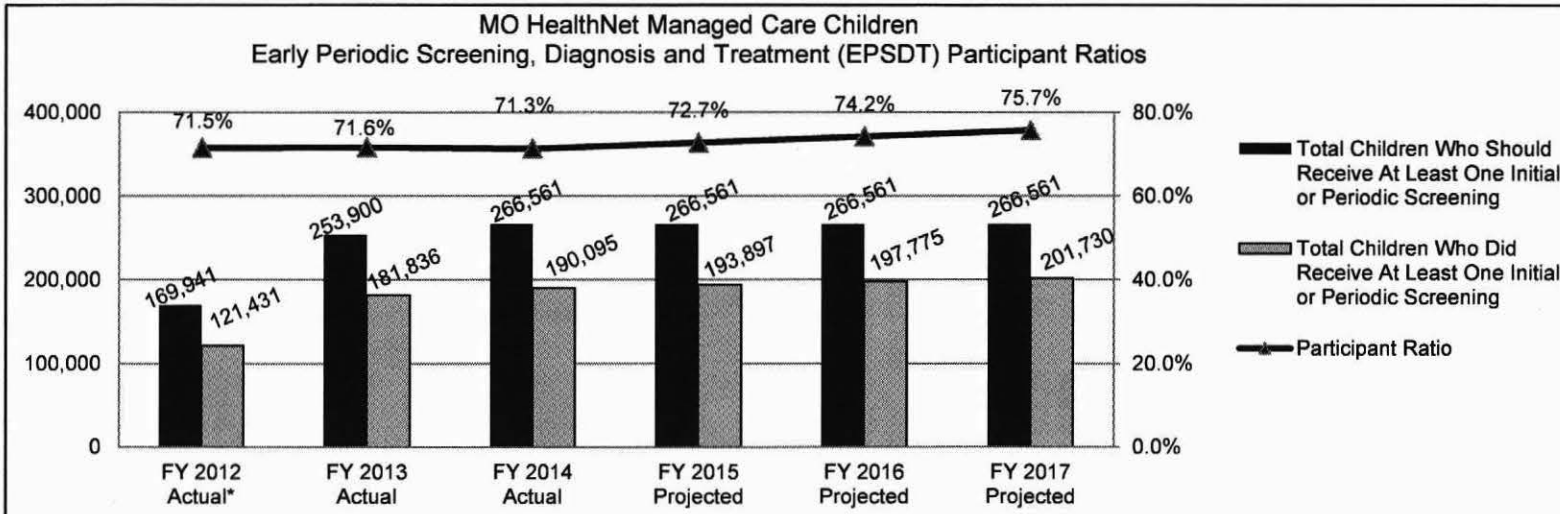
Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase

Budget Unit: 90551C
DI#: 1886004

6b. Provide an efficiency measure.

The Early Periodic Screening, Diagnosis and Treatment (EPSDT) program is a comprehensive, primary and preventive health care program for MO HealthNet eligible children and youth under the age of 21 years. The program provides early and periodic medical/dental screenings, diagnosis and treatment to correct or ameliorate defects and chronic conditions found during the screening. The chart below does not include CHIP children.

Increase the ratio of children who receive an EPSDT service. In FY 2013, over 71% of the children in Managed Care (not including CHIP) received an EPSDT screening.



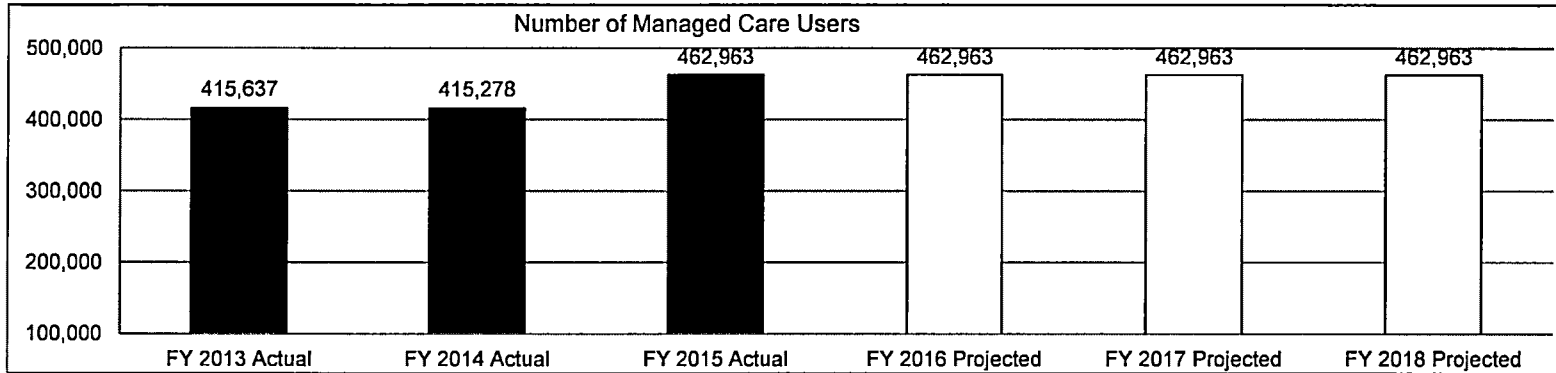
*FY2012 Actual - The Total Eligibles and Screenings are under-reported for the population due to discontinuation of three health plans and the addition of one health plan in the middle of the reporting year.

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase

Budget Unit: 90551C
DI#: 1886004

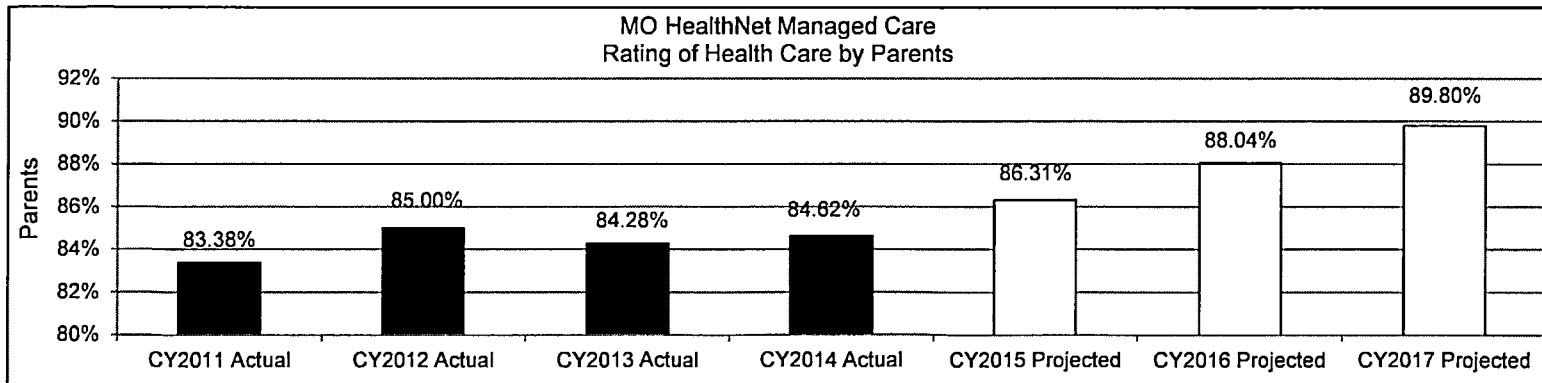
6c. Provide the number of clients/individuals served, if applicable.

Users include MO HealthNet (Title XIX) and CHIP (Title XXI) participants.



6d. Provide a customer satisfaction measure, if available.

When parents were asked if they were satisfied with the health care their child received through their MO HealthNet Managed Care plan, Almost 86% responded that they were satisfied in 2013.



Customer Satisfaction Measure:
Increase the percentage of parents who were satisfied with the health care their child received through MO HealthNet Managed Care.

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------------------|------------|-------------|------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MANAGED CARE | | | | | | | | |
| Mgd Care Actuarial Increase - 1886004 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 48,420,951 | 0.00 | 21,226,346 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 48,420,951 | 0.00 | 21,226,346 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$48,420,951 | 0.00 | \$21,226,346 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$17,780,173 | 0.00 | \$7,805,352 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$30,640,778 | 0.00 | \$13,420,994 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|------------------|-------------|------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| CHILDREN'S HEALTH INS PROGRAM | | | | | | | | |
| Mgd Care Actuarial Increase - 1886004 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 506,893 | 0.00 | 506,893 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 506,893 | 0.00 | 506,893 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$506,893 | 0.00 | \$506,893 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$130,272 | 0.00 | \$130,525 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$376,621 | 0.00 | \$376,368 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

NEW DECISION ITEM
RANK: 21 OF 29

Department: Social Services
Division: MO HealthNet
DI Name Statewide Managed Care Transition

Budget Unit: 90551C, 90512C, and 90522C
DI# 1886038

1. AMOUNT OF REQUEST

| FY 2017 Budget Request | | | | |
|------------------------|-------------------|-------------------|----------|--------------------|
| | GR | Federal | Other | Total |
| PS | 286,002 | 286,002 | 0 | 572,004 |
| EE | 564,984 | 564,984 | 0 | 1,129,968 |
| PSD | 39,719,100 | 68,575,200 | 0 | 108,294,300 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 40,570,086 | 69,426,186 | 0 | 109,996,272 |
| | | | | |
| FTE | 7.50 | 7.50 | 0.00 | 15.00 |

| | | | | |
|--|---------|---------|---|---------|
| Est. Fringe | 153,826 | 153,826 | 0 | 307,651 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|----------|----------|----------|----------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 0 | 0 | 0 | 0 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|--|---|--|
| <input type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input type="checkbox"/> Federal Mandate | <input checked="" type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input type="checkbox"/> Other: | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding is needed to provide payment for services associated with implementing statewide managed care.

No additional funding was appropriated in FY16 for the administration of statewide managed care. This request includes funding for ongoing rate development for expanded regions, fifteen (15) FTE to administer the additional managed care population, ongoing MMIS programming costs, and enrollment broker costs. One-time funds are also requested for fee-for-service claims runout.

NEW DECISION ITEM
RANK: 21 OF 29

Department: Social Services
Division: MO HealthNet
DI Name Statewide Managed Care Transition

Budget Unit: 90551C, 90512C, and 90522C
DI# 1886038

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

- 1) Claims Run-Out: Due to the lag in the time between date of service and the date a provider bill for services, the state estimates it will pay \$108 million in fee-for-service (FFS) claims for the population moving to managed care for the period prior to managed care enrollment. The bulk of these costs will be paid within 6 months; however, payouts could continue up to 12 months. Total claims run out of \$108 million accounts for the fact that managed care capitation payments are made in arrears, therefore, the total includes 5 months when both capitation payments and the remaining FFS claims for this population will be made concurrently.
- 2) Actuarial Contract: The additional regions subject to managed care will require additional actuarial costs to develop and adjust capitated rates.
- 3) Administration: Fifteen (15) additional FTE will be required to managed the increase of managed care participants.
- 4) MMIS Programming: This funding will support additional system changes that will be required to program additional counties, rate cells, and update managed care logic.
- 5) Enrollment Broker: Estimated contract cost based on a statewide rebid and open enrollment for the expanded managed care population.

| | FTE | GR | FF | Total | Comments |
|---|--------------|---------------------|---------------------|----------------------|-------------------------------------|
| MHD Fee for Service Claims Runout | | \$39,719,100 | \$68,575,200 | \$108,294,300 | |
| Ongoing Rate Development for Expanded Regions | | \$50,000 | \$50,000 | \$100,000 | |
| Administration for additional populations-PS | 15.00 | \$286,002 | \$286,002 | \$572,004 | |
| Administration for additional populations-E&E | | \$87,515 | \$87,515 | \$175,030 | |
| MMIS Programming Costs | | \$275,000 | \$275,000 | \$550,000 | |
| Enrollment Broker | | \$152,469 | \$152,469 | \$304,938 | Statewide rebid and open enrollment |
| | 15.00 | \$40,570,086 | \$69,426,186 | \$109,996,272 | |

**The Governor did not recommend funding for this decision item.*

NEW DECISION ITEM
RANK: 21 OF 29

Department: Social Services
Division: MO HealthNet
DI Name Statewide Managed Care Transition

Budget Unit: 90551C, 90512C, and 90522C
DI# 1886038

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
|--------------------------------|------------------------|--------------------|-------------------------|---------------------|------------------------------|-----------------------|------------------------------|--------------------------|---------------------------------|
| | | | | | | | 0 | 0.0 | |
| Social Services Mgr II | 31,998 | 0.5 | 31,998 | 0.5 | | | 63,996 | 1.0 | |
| Management Analysis Spec II | 20,970 | 0.5 | 20,970 | 0.5 | | | 41,940 | 1.0 | |
| Medicaid Specialist | 112,644 | 3.0 | 112,644 | 3.0 | | | 225,288 | 6.0 | |
| Program Development Spec | 20,190 | 0.5 | 20,190 | 0.5 | | | 40,380 | 1.0 | |
| Correspondence & Info Spec | 34,944 | 1.0 | 34,944 | 1.0 | | | 69,888 | 2.0 | |
| Medicaid Technician | 65,256 | 2.0 | 65,256 | 2.0 | | | 130,512 | 4.0 | |
| Total PS | 286,002 | 7.5 | 286,002 | 7.5 | 0 | 0.0 | 572,004 | 15.0 | 0 |
| In-State Travel - 140 | 1,530 | | 1,530 | | | | 3,060 | | |
| Fuel & Utilities - 180 | 3,011 | | 3,011 | | | | 6,022 | | |
| Supplies - 190 | 10,950 | | 10,950 | | | | 21,900 | | |
| Professional Development - 320 | 4,298 | | 4,298 | | | | 8,596 | | |
| Communic Serv & Supplies - 340 | 1,875 | | 1,875 | | | | 3,750 | | |
| M&R Services - 430 | 4,500 | | 4,500 | | | | 9,000 | | 9,000 |
| Office Equipment - 580 | 17,880 | | 17,880 | | | | 35,760 | | 35,760 |
| Property & Improvements - 640 | 43,343 | | 43,343 | | | | 86,686 | | 86,685 |
| Building Lease Payments - 680 | 128 | | 128 | | | | 256 | | |
| Professional Services - 400 | 477,469 | | 477,469 | | | | 954,938 | | |
| Total EE | 564,984 | | 564,984 | | 0 | | 1,129,968 | | 131,445 |
| Program Distributions | 39,719,100 | | 68,575,200 | | | | 108,294,300 | | |
| Total PSD | 39,719,100 | | 68,575,200 | | 0 | | 108,294,300 | | 0 |
| Transfers | | | | | | | 0 | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 40,570,086 | 7.5 | 69,426,186 | 7.5 | 0 | 0.0 | 109,996,272 | 15.0 | 131,445 |

NEW DECISION ITEM
RANK: 21 OF 29

Department: Social Services
Division: MO HealthNet
DI Name Statewide Managed Care Transition

Budget Unit: 90551C, 90512C, and 90522C
DI# 1886038

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|-----------------------|-------------------|------------------------|--------------------|-----------------------------|----------------------|-----------------------------|-------------------------|--------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | | | | | | | 0 | | |
| Total PSD | 0 | | 0 | | 0 | | 0 | | 0 |
| Transfers | | | | | | | 0 | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |

NEW DECISION ITEM
RANK: 21 OF 29

Department: Social Services
Division: MO HealthNet
DI Name Statewide Managed Care Transition

Budget Unit: 90551C, 90512C, and 90522C
DI# 1886038

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an effectiveness measure.

N/A

6b. Provide an efficiency measure.

N/A

6c. Provide the number of clients/individuals served, if applicable.

N/A

6d. Provide a customer satisfaction measure, if available.

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|---------|---------|---------|---------|-------------|----------|---------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MO HEALTHNET ADMIN | | | | | | | | |
| Statewide Mgd Care Transition - 1886038 | | | | | | | | |
| MANAGEMENT ANALYSIS SPEC II | 0 | 0.00 | 0 | 0.00 | 41,940 | 1.00 | 0 | 0.00 |
| PROGRAM DEVELOPMENT SPEC | 0 | 0.00 | 0 | 0.00 | 40,380 | 1.00 | 0 | 0.00 |
| CORRESPONDENCE & INFO SPEC I | 0 | 0.00 | 0 | 0.00 | 69,888 | 2.00 | 0 | 0.00 |
| MEDICAID TECHNICIAN | 0 | 0.00 | 0 | 0.00 | 130,512 | 4.00 | 0 | 0.00 |
| MEDICAID SPEC | 0 | 0.00 | 0 | 0.00 | 225,288 | 6.00 | 0 | 0.00 |
| SOCIAL SERVICES MNGR, BAND 2 | 0 | 0.00 | 0 | 0.00 | 63,996 | 1.00 | 0 | 0.00 |
| TOTAL - PS | 0 | 0.00 | 0 | 0.00 | 572,004 | 15.00 | 0 | 0.00 |
| TRAVEL, IN-STATE | 0 | 0.00 | 0 | 0.00 | 3,060 | 0.00 | 0 | 0.00 |
| FUEL & UTILITIES | 0 | 0.00 | 0 | 0.00 | 6,022 | 0.00 | 0 | 0.00 |
| SUPPLIES | 0 | 0.00 | 0 | 0.00 | 21,900 | 0.00 | 0 | 0.00 |
| PROFESSIONAL DEVELOPMENT | 0 | 0.00 | 0 | 0.00 | 8,596 | 0.00 | 0 | 0.00 |
| COMMUNICATION SERV & SUPP | 0 | 0.00 | 0 | 0.00 | 3,750 | 0.00 | 0 | 0.00 |
| PROFESSIONAL SERVICES | 0 | 0.00 | 0 | 0.00 | 954,938 | 0.00 | 0 | 0.00 |
| M&R SERVICES | 0 | 0.00 | 0 | 0.00 | 9,000 | 0.00 | 0 | 0.00 |
| OFFICE EQUIPMENT | 0 | 0.00 | 0 | 0.00 | 35,760 | 0.00 | 0 | 0.00 |
| PROPERTY & IMPROVEMENTS | 0 | 0.00 | 0 | 0.00 | 86,686 | 0.00 | 0 | 0.00 |
| BUILDING LEASE PAYMENTS | 0 | 0.00 | 0 | 0.00 | 256 | 0.00 | 0 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 1,129,968 | 0.00 | 0 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$1,701,972 | 15.00 | \$0 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$850,986 | 7.50 | | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$850,986 | 7.50 | | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---|------------|-------------|------------|-------------|----------------------|-------------|------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MANAGED CARE | | | | | | | | |
| Statewide Mgd Care Transition - 1886038 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 108,294,300 | 0.00 | 0 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 108,294,300 | 0.00 | 0 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$108,294,300 | 0.00 | \$0 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$39,719,100 | 0.00 | | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$68,575,200 | 0.00 | | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | | 0.00 |

NEW DECISION ITEM

RANK: 22

OF 29

Department of Social Services
Division MO HealthNet
DI Name SB 174 ABLE

Budget Unit: 90541C, 90544C, 90546C, 90564C, 90550C, 90577C, 90552C

DI# 1886039

1. AMOUNT OF REQUEST

| FY 2017 Budget Request | | | | |
|------------------------|------------------|------------------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 2,797,510 | 7,318,050 | 1,441,142 | 11,556,702 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 2,797,510 | 7,318,050 | 1,441,142 | 11,556,702 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds: Federal Reimbursement Allowance (0142)
Pharmacy Federal Reimbursement Allowance (0144)
Health Initiatives Fund (0275)

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|------------------|------------------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 2,808,488 | 7,307,072 | 1,441,142 | 11,556,702 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 2,808,488 | 7,307,072 | 1,441,142 | 11,556,702 |
| FTE | | | | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds: Federal Reimbursement Allowance (0142)
Pharmacy Federal Reimbursement Allowance (0144)
Health Initiatives Fund (0275)

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|---|--|--|
| <input checked="" type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input type="checkbox"/> Other: | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

This request funds services for additional individuals who will become eligible for full Medicaid benefits as a result of SB 174 (2015) which creates the Missouri Achieving a Better Life Experience (ABLE) program, in accordance with section 529A of the Internal Revenue Code. This legislation allows individuals with disabilities who have higher assets a greater ability to become eligible for Medicaid through the creation of ABLE accounts.

The state authority is section 209.600, RSMo.

NEW DECISION ITEM

RANK: 22 OF 29

**Department of Social Services
Division MO HealthNet
DI Name SB 174 ABLE**

Budget Unit: 90541C, 90544C, 90546C, 90564C, 90550C, 90577C, 90552C

DI# 1886039

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Under this legislation, a participant may make tax-deductible contributions to an account established for the purpose of financing the qualified disability expenses of a designated beneficiary. Designated beneficiaries are persons who are entitled to benefits based on a disability which must have occurred prior to turning 26. Persons

This legislation will allow more individuals to become eligible for the full Medicaid benefit because individuals with higher assets who were previously ineligible will now qualify under existing Medicaid eligibility tests. Furthermore, there is no provision authorizing Medicaid to recover funds from a beneficiary's trust upon death. FSD identified 634 individuals will become eligible for full Medicaid services as a result of this bill. Projections are based on the TAFP fiscal note for the bill.

- 55 individuals currently classified as Qualified Medicare Beneficiaries (QMB)
- 56 individuals currently classified as Specified Low-Income Medicare Beneficiaries (SLMB)
- 220 individuals that were previously rejected whose resources exceeded the maximum threshold
- 303 individuals from an unknown population who previously chose not to apply due to current resource limits.

In FY14, the annual cost to serve persons with disabilities was \$20,451. The annual cost of the Medicare premiums currently paid for QMBs and SLMBs is then reduced from total cost and a 1.9% inflation factor is added.

FY14 Cost per Person \$20,451

| | Individuals | FY14 Cost | Premium Offset | Total Annual Cost |
|-------------|-------------|---------------------|-------------------|---------------------|
| QMB | 55 | \$1,124,805 | -\$337,728 | \$787,077 |
| SLMB | 56 | \$1,145,256 | -\$75,948 | \$1,069,308 |
| Rejections* | 220 | \$3,288,180 | | \$3,288,180 |
| Unknown | 303 | \$6,196,653 | | \$6,196,653 |
| | 634 | \$11,754,894 | -\$413,676 | \$11,341,218 |

| | | | | | Governor's Recommendation (updated FMAP) | | | |
|-----------|-------------|-------------|-------------|--------------|--|-------------|-------------|--------------|
| | GR | Federal | Other | Total | GR | Federal | Other | Total |
| Total NDI | \$2,797,510 | \$7,318,050 | \$1,441,141 | \$11,556,702 | \$2,808,488 | \$7,307,072 | \$1,441,142 | \$11,556,702 |

*Assumes individuals would gradually be approved within six months of application as they spent their assets down below the applicable resource limit

NEW DECISION ITEM

RANK: 22 OF 29

**Department of Social Services
Division MO HealthNet
DI Name SB 174 ABLE**

Budget Unit: 90541C, 90544C, 90546C, 90564C, 90550C, 90577C, 90552C

DI# 1886039

| 5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS. | | | | | | | | | |
|---|----------------------------|------------------------|-----------------------------|-------------------------|-------------------------------|---------------------------|-------------------------------|---------------------------|----------------------------------|
| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
| Total PS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 2,797,510 | | 7,318,050 | | 1,441,142 | | 11,556,702 | | |
| Total PSD | 2,797,510 | | 7,318,050 | | 1,441,141 | | 11,556,701 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | - | | - | | - | | - | | 0 |
| Grand Total | 2,797,510 | - | 7,318,050 | - | 1,441,141 | - | 11,556,701 | 0 | 0 |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|--------------------------------------|---------------------------|-----------------------|----------------------------|------------------------|------------------------------|--------------------------|------------------------------|--------------------------|---------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 2,808,488 | | 7,307,072 | | 1,441,142 | | 11,556,702 | | |
| Total PSD | 2,808,488 | | 7,307,072 | | 1,441,142 | | 11,556,702 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 2,808,488 | 0.0 | 7,307,072 | 0.0 | 1,441,142 | 0.0 | 11,556,702 | 0.0 | 0 |

RANK: 22 NEW DECISION ITEM OF 29

Department of Social Services
Division MO HealthNet
DI Name SB 174 ABLE

Budget Unit: 90541C, 90544C, 90546C, 90564C, 90550C, 90577C, 90552C

DI# 1886039

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an effectiveness measure.

N/A

6b. Provide an efficiency measure.

N/A

6c. Provide the number of clients/individuals served, if applicable.

N/A

6d. Provide a customer satisfaction measure, if available.

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--------------------------------|------------|-------------|------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY | | | | | | | | |
| ABLE Accounts - 1886039 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 4,524,239 | 0.00 | 4,524,239 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 4,524,239 | 0.00 | 4,524,239 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$4,524,239 | 0.00 | \$4,524,239 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$1,095,174 | 0.00 | \$1,099,472 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$2,864,884 | 0.00 | \$2,860,586 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$564,181 | 0.00 | \$564,181 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--------------------------------|------------|-------------|------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHYSICIAN RELATED PROF | | | | | | | | |
| ABLE Accounts - 1886039 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 2,605,584 | 0.00 | 2,605,584 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 2,605,584 | 0.00 | 2,605,584 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$2,605,584 | 0.00 | \$2,605,584 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$630,729 | 0.00 | \$633,203 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$1,649,933 | 0.00 | \$1,647,459 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$324,922 | 0.00 | \$324,922 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--------------------------------|------------|-------------|------------|-------------|-----------------|-------------|-----------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| DENTAL | | | | | | | | |
| ABLE Accounts - 1886039 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 11,454 | 0.00 | 11,454 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 11,454 | 0.00 | 11,454 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$11,454 | 0.00 | \$11,454 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$2,773 | 0.00 | \$2,784 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$7,253 | 0.00 | \$7,242 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$1,428 | 0.00 | \$1,428 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--------------------------------|------------|-------------|------------|-------------|-----------------|-------------|-----------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| HOME HEALTH | | | | | | | | |
| ABLE Accounts - 1886039 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 12,637 | 0.00 | 12,637 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 12,637 | 0.00 | 12,637 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$12,637 | 0.00 | \$12,637 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$3,059 | 0.00 | \$3,071 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$8,002 | 0.00 | \$7,990 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$1,576 | 0.00 | \$1,576 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-------------------------------------|------------|-------------|------------|-------------|------------------|-------------|------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| REHAB AND SPECIALTY SERVICES | | | | | | | | |
| ABLE Accounts - 1886039 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 906,381 | 0.00 | 906,381 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 906,381 | 0.00 | 906,381 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$906,381 | 0.00 | \$906,381 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$219,406 | 0.00 | \$220,267 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$573,948 | 0.00 | \$573,087 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$113,027 | 0.00 | \$113,027 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|-----------------|-------------|-----------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| COMPLEX REHAB TECHNLOGY PRDUCTS | | | | | | | | |
| ABLE Accounts - 1886039 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 86,517 | 0.00 | 86,517 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 86,517 | 0.00 | 86,517 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$86,517 | 0.00 | \$86,517 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$23,927 | 0.00 | \$31,814 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$62,590 | 0.00 | \$54,703 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--------------------------------|------------|-------------|------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | - FTE | DOLLAR | FTE | DOLLAR | FTE |
| HOSPITAL CARE | | | | | | | | |
| ABLE Accounts - 1886039 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 3,409,890 | 0.00 | 3,409,890 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 3,409,890 | 0.00 | 3,409,890 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$3,409,890 | 0.00 | \$3,409,890 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$822,442 | 0.00 | \$817,877 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$2,151,440 | 0.00 | \$2,156,005 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$436,008 | 0.00 | \$436,008 | 0.00 |

NEW DECISION ITEM
RANK: 25 OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: FY17 Transfer Authority

Budget Unit: 90535C, 90537C, 90840C, 90845C, 90572C
DI#: 1886037

1. AMOUNT OF REQUEST

| FY 2017 Budget Request | | | | |
|------------------------|----|------------|------------|------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 0 | 42,910,133 | 12,046,588 | 54,956,721 |
| TRF | | | | 0 |
| Total | 0 | 42,910,133 | 12,046,588 | 54,956,721 |

FTE 0.00

| | | | | |
|---|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation. | | | | |

Other Funds: DSS Intergovernmental Transfer Fund (0139)

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|----|------------|-----------|------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | | 27,889,546 | 3,346,588 | 31,236,134 |
| TRF | | | | |
| Total | 0 | 27,889,546 | 3,346,588 | 31,236,134 |

FTE 0.00

| | | | | |
|---|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation. | | | | |

Other Funds: DSS Intergovernmental Transfer Fund (0139)

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|--|--|--|
| <input type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input checked="" type="checkbox"/> Increase Authority | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

Based on projected MO HealthNet transfers for fiscal year 2017, it is anticipated that additional non-count appropriation authority will be necessary to support increased DMH payments through the DMH Intergovernmental Transfer.

NEW DECISION ITEM

RANK: 25 OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: FY17 Transfer Authority

Budget Unit: 90535C, 90537C, 90840C, 90845C, 90572C
DI#: 1886037

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number

The DMH Intergovernmental Transfer provides payments for Community Psychiatric Rehabilitation (CPR) and Comprehensive Substance Abuse Treatment and Based on FY 2017 projections, additional authority is needed as follows:

Department Request

| GR | Federal | Other | Total |
|----|---------|-------|-------|
|----|---------|-------|-------|

Estimated Shortfalls

| | | | | |
|----------------------|-----|--------------|--------------|--------------|
| DMH IGT | \$0 | \$42,910,133 | \$12,046,588 | \$54,956,721 |
| FY17 Increased Need* | \$0 | \$42,910,133 | \$12,046,588 | \$54,956,721 |

Governor's Recommendation

| GR | Federal | Other | Total |
|----|---------|-------|-------|
|----|---------|-------|-------|

Estimated Shortfalls

| | | | | |
|----------------------|-----|--------------|-------------|--------------|
| DMH IGT | \$0 | \$27,889,546 | \$3,346,588 | \$31,236,134 |
| FY17 Increased Need* | \$0 | \$27,889,546 | \$3,346,588 | \$31,236,134 |

**Governor's Recommendation based on updated projections.*

NEW DECISION ITEM

RANK:

25

OF:

29

Department: Social Services

Budget Unit: 90535C, 90537C, 90840C, 90845C, 90572C

Division: MO HealthNet

DI Name: FY17 Transfer Authority

DI#: 1886037

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
|-------------------------------|---------------------------|--------------------|----------------------------|---------------------|------------------------------|--------------------------|------------------------------|--------------------------|---------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 0 | | 42,910,133 | | 12,046,588 | | 54,956,721 | | |
| Total PSD | 0 | | 42,910,133 | | 12,046,588 | | 54,956,721 | | 0 |
| Transfers | | | | | | | 0 | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 0 | 0.0 | 42,910,133 | 0.0 | 12,046,588 | 0.0 | 54,956,721 | 0.0 | 0 |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|-----------------------|-------------------|---------------------------|--------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|--------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | | | 27,889,546 | | 3,346,588 | | 31,236,134 | | |
| Total PSD | 0 | | 27,889,546 | | 3,346,588 | | 31,236,134 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 0 | 0.0 | 27,889,546 | 0.0 | 3,346,588 | 0.0 | 31,236,134 | 0.0 | 0 |

RANK: NEW DECISION ITEM
25 OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: FY17 Transfer Authority

Budget Unit: 90535C, 90537C, 90840C, 90845C, 90572C
DI#: 1886037

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an effectiveness measure.

Since this decision item is a combined request for the increase in authority of several funds, measures are incorporated in the individual program descriptions.

6b. Provide an efficiency measure.

Since this decision item is a combined request for the increase in authority of several funds, measures are incorporated in the individual program descriptions.

6c. Provide the number of clients/individuals served, if applicable.

Since this decision item is a combined request for the increase in authority of several funds, measures are incorporated in the individual program descriptions.

6d. Provide a customer satisfaction measure, if available.

Since this decision item is a combined request for the increase in authority of several funds, measures are incorporated in the individual program descriptions.

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|------------------|-------------|------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| IGT EXPEND TRANSFER | | | | | | | | |
| Transfer Increase Authority - 1886037 | | | | | | | | |
| TRANSFERS OUT | 0 | 0.00 | 0 | 0.00 | 248,265 | 0.00 | 0 | 0.00 |
| TOTAL - TRF | 0 | 0.00 | 0 | 0.00 | 248,265 | 0.00 | 0 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$248,265 | 0.00 | \$0 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$248,265 | 0.00 | | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|---------|---------|---------|---------|--------------|----------|--------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| IGT DMH MEDICAID PROGRAM | | | | | | | | |
| Transfer Increase Authority - 1886037 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 54,956,721 | 0.00 | 31,236,134 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 54,956,721 | 0.00 | 31,236,134 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$54,956,721 | 0.00 | \$31,236,134 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$42,910,133 | 0.00 | \$27,889,546 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$12,046,588 | 0.00 | \$3,346,588 | 0.00 |

**NEW DECISION ITEM
RANK:**

Department: Social Services
Division: MO HealthNet
DI Name: FMAP

Budget Unit: 90541C, 90544C, 90546C, 90547C, 90549C, 90550C, 90551C,
90552C, 90556C, 90561C, 90564C, 90568C
DI#: 1886023

1. AMOUNT OF REQUEST

| | FY 2017 Budget Request | | | |
|-------|------------------------|---------|-------|-------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | | | | |
| TRF | | | | |
| Total | | | | |

FTE

| | FY 2017 Governor's Recommendation | | | |
|-------|-----------------------------------|------------|---------|------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 17,831,371 | 10,129,071 | 669,922 | 28,630,364 |
| TRF | | | | |
| Total | 17,831,371 | 10,129,071 | 669,922 | 28,630,364 |

FTE

0.00

| | | | | |
|--|---|---|---|---|
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

| | | | | |
|--|---|---|---|---|
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

Other Funds: Long Term Support UPL Fund

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|---|--|--|
| <input type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input checked="" type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input type="checkbox"/> Other: | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding to address the change in the Federal Medical Assistance Percentage (FMAP). Changes are regular rate from 63.323 % blended to 63.228% blended and enhanced rate from 74.33 % blended to 74.263% blended.

This funding is requested to compensate for the change in the Federal Medical Assistance Percentage (FMAP). Each year the Centers for Medicare and Medicaid Services (CMS) revises the percentage of Medicaid costs that the federal government will reimburse to each state. Effective October 1, 2015, the FMAP rate will decrease from 63.323% to 63.228%. The enhanced FMAP rate for the CHIP children and the Women with Breast or Cervical Cancer program will decrease from 74.33% to 74.263%. As a result, the MO HealthNet Division seeks to continue program core funding at current levels by compensating for this change in federal funding levels. The increased costs of this decision item have an equal offset in the affected program cores as core reductions. The Federal Authority is Social Security Act 1905(b).

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Since the federal fiscal year (FFY) doesn't begin until the second quarter of the state fiscal year (SFY), a SFY blended rate is applied to the SFY core funding. This blended rate is derived by adding the old FFY rate (63.28%) for three months (July thru September) and the new FFY rate (63.21%) for nine months (October thru June) and dividing by 12 months, resulting in a SFY blended rate of 63.228%. This same procedure is applied to the enhanced federal match for the CHIP program and the women with Breast or Cervical Cancer program. The enhanced old FFY rate of 74.30% for three months (July thru September) and the new FFY rate of 74.25% for nine months (October thru June) results in an enhanced SFY blended rate of 74.263%. In order to continue current core funding, these blended rates are applied to the SFY 15 core funding resulting in a revised mix of funding sources while maintaining the same total. Based on the review of all program cores and the change in FMAP, the below increases are needed to maintain total funding at the correct level.

Governor's Recommendations:

Governor's Recommendations include the updated FMAP percentage that the federal government will use.

| | FMAP NDI | | | | Corresponding Core Reductions | | | |
|-------------------------|-------------------|-------------------|-------------------|----------------|--------------------------------------|---------------------|---------------------|----------|
| | Total | GR | Federal | Other | Total | GR | Federal | Other |
| Pharmacy | 2,147,062 | | 2,147,062 | | (2,147,062) | (2,147,062) | | |
| Physician | 3,276,222 | | 3,276,222 | | (6,188,438) | (6,188,438) | | |
| Dental | 152,015 | | 152,015 | | (152,015) | (152,015) | | |
| Premium Payments | 861,154 | | 861,154 | | (861,154) | (861,154) | | |
| Home Health | 6,823 | 6,823 | | | (6,823) | | (6,823) | |
| Nursing Facility | 1,533,692 | 1,533,692 | | | (1,533,692) | | (1,533,692) | |
| PACE | 24,078 | | 24,078 | | (24,078) | (24,078) | | |
| Long Term UPL | 669,922 | | | 669,922 | (669,922) | | (669,922) | |
| Rehab & Specialty | 3,208,274 | 3,208,274 | | | (3,208,274) | | (3,208,274) | |
| Complex Rehab Tech | 59,836 | | 59,836 | | (59,836) | (59,836) | | |
| Managed Care | 3,589,885 | | 3,589,885 | | (3,589,885) | (3,589,885) | | |
| Hospital | 1,774,679 | 1,774,679 | | | (1,774,679) | | (1,774,679) | |
| NEMT | 1,153,130 | 1,153,130 | | | (1,153,130) | | (1,153,130) | |
| Women's Health Services | 642,850 | 642,850 | | | (642,850) | | (642,850) | |
| CHIP | 9,511,923 | 9,511,923 | | | (9,511,923) | | (9,511,923) | |
| Show-Me Healthy Babies | 18,819 | | 18,819 | | (18,819) | (18,819) | | |
| Total | 28,630,364 | 17,831,371 | 10,129,071 | 669,922 | (31,542,580) | (13,041,287) | (18,501,293) | 0 |

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
|-------------------------------|---------------------------|-----------------------|----------------------------|------------------------|------------------------------|--------------------------|------------------------------|--------------------------|---------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 0 | | | | 0 | | 0 | | |
| Total PSD | 0 | | 0 | | 0 | | 0 | | 0 |
| Transfers | | | | | | | 0 | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|--------------------------|----------------------|---------------------------|-----------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|--------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 17,831,371 | | 10,129,071 | | 669,922 | | 28,630,364 | | |
| Total PSD | 17,831,371 | | 10,129,071 | | 669,922 | | 28,630,364 | | 0 |
| Transfers | | | | | | | 0 | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 17,831,371 | 0.0 | 10,129,071 | 0.0 | 669,922 | 0.0 | 28,630,364 | 0.0 | 0 |

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an effectiveness measure.

| Year | Regular FFP Rates | | Enhanced FFP Rates (CHIP Program) | |
|------|-------------------|---------|--------------------------------------|---------|
| | FFY | SFY | FFY | SFY |
| 2010 | 64.510% | 64.180% | 75.160% | 74.930% |
| 2011 | 63.290% | 63.595% | 74.300% | 74.515% |
| 2012 | 63.450% | 63.410% | 74.420% | 74.390% |
| 2013 | 61.370% | 61.890% | 72.960% | 73.325% |
| 2014 | 62.030% | 61.865% | 73.420% | 73.305% |
| 2015 | 63.450% | 63.095% | 74.420% | 74.170% |
| 2016 | 63.280% | 63.323% | 74.300% | 74.330% |

Since the FMAP adjustments represent a funding source rather than a particular program, measures for the FMAP adjustments are incorporated into the specific MO HealthNet program sections.

6b. Provide an efficiency measure.

N/A

6c. Provide the number of clients/individuals served, if applicable.

N/A

6d. Provide a customer satisfaction measure, if available.

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

- Maintain flow of federal financial participation in the healthcare arena. (Beyond DSS)
- The MO HealthNet Division performs detailed projections for all program cores. These projections include adjusting the federal participation level to the percentage in effect for SFY16.

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------------|------------|-------------|------------|-------------|------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,147,062 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,147,062 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$2,147,062 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$2,147,062 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------|---------|---------|---------|---------|----------|----------|-------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHYSICIAN RELATED PROF | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,276,222 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,276,222 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$3,276,222 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$3,276,222 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------|---------|---------|---------|---------|----------|----------|-----------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| DENTAL | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 152,015 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 152,015 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$152,015 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$152,015 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------------|------------|-------------|------------|-------------|------------|-------------|------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PREMIUM PAYMENTS | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 861,154 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 861,154 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$861,154 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$861,154 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------------|------------|-------------|------------|-------------|------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| NURSING FACILITIES | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,533,692 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,533,692 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$1,533,692 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$1,533,692 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------|---------|---------|---------|---------|----------|----------|---------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| HOME HEALTH | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6,823 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6,823 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$6,823 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$6,823 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------|---------|---------|---------|---------|----------|----------|----------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PACE | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 24,078 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 24,078 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$24,078 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$24,078 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------------------|------------|-------------|------------|-------------|------------|-------------|------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| LONG TERM SUPPORT PAYMENTS | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 669,922 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 669,922 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$669,922 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$669,922 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-------------------------------------|------------|-------------|------------|-------------|------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| REHAB AND SPECIALTY SERVICES | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,208,274 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,208,274 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$3,208,274 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$3,208,274 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------------|------------|-------------|------------|-------------|------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| NON-EMERGENCY TRANSPORT | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,153,130 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,153,130 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$1,153,130 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$1,153,130 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------------|---------|---------|---------|---------|----------|----------|----------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| COMPLEX REHAB TECHNOLGY PRDUCTS | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 59,836 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 59,836 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$59,836 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$59,836 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------------|------------|-------------|------------|-------------|------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MANAGED CARE | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,589,885 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,589,885 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$3,589,885 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$3,589,885 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------|---------|---------|---------|---------|----------|----------|-------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| HOSPITAL CARE | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,774,679 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,774,679 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$1,774,679 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$1,774,679 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------------|------------|-------------|------------|-------------|------------|-------------|------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| WOMEN'S HEALTH SRVC | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 642,850 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 642,850 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$642,850 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$642,850 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-------------------------------|---------|---------|---------|---------|----------|----------|-------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| CHILDREN'S HEALTH INS PROGRAM | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 9,511,923 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 9,511,923 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$9,511,923 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$9,511,923 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

NEW DECISION ITEM

Department of Social Services

MO HealthNet Division

GR Pickup for Tobacco Settlement Funds

DI# 1886015

Budget Unit:

House Bill Sections: 11.435, 11.505

1. AMOUNT OF REQUEST

| FY 2017 Supplemental Budget Request | | | | |
|--|----------|----------|----------|----------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 0 | 0 | 0 | 0 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |
| POSITIONS | 0 | 0 | 0 | 0 |
| NUMBER OF MONTHS POSITIONS ARE NEEDED: | | | | |
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

| FY 2017 Governor's Recommendation | | | | |
|--|-------------------|----------|----------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 50,000,000 | 0 | 0 | 50,000,000 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 50,000,000 | 0 | 0 | 50,000,000 |
| | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |
| POSITIONS | 0 | 0 | 0 | 0 |
| NUMBER OF MONTHS POSITIONS ARE NEEDED: | | | | |
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

2. WHY IS THIS SUPPLEMENTAL FUNDING NEEDED? INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

In 1998, Missouri was one of 46 states that reached an agreement with the four largest U.S. tobacco companies to settle various lawsuits against the tobacco industry. The agreement, known as the Tobacco Master Settlement Agreement (MSA), required the participating tobacco companies to pay approximately \$200 billion to states over the next 25 years to help cover healthcare costs associated with smoking. An arbitration ruling in September 2013 regarding the enforcement of tobacco laws resulted in more tobacco funds for nine states, and reduced funds for six states. Missouri was one of the six states receiving reduced funds. Missouri Attorney General Koster sued to recoup the funds, and a circuit judge ruled in favor of Missouri in 2014. A Missouri appeals court overturned this ruling in September 2015, deciding that Missouri is not owed the \$50 million for failing to meet requirements of the settlement. General Revenue is requested to replace the shortfall that will decrease revenues to the Life Sciences Research Trust Fund and the Healthy Families Trust Fund.

NEW DECISION ITEM

Department of Social Services
 MO HealthNet Division
 GR Pickup for Tobacco Settlement Funds DI# 1886015

Budget Unit:

House Bill Sections: 11.435, 11.505

3. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why.

Missouri will not receive \$50 million anticipated tobacco settlement funds in Fiscal Year 2017. General Revenue is recommended to replace the \$50,000,000 shortfall. GR is replacing Life Sciences Research Trust Funds (LSRTF) and Healthy Families Trust Funds (HFTF) budget authority.

| \$50M Shortfall | FY16 HB | LSRTF | HFTF | GR Pickup Amount |
|------------------------|---------|--------------|--------------|------------------|
| Pharmacy | 11.435 | (12,500,000) | (23,541,034) | 36,041,034 |
| Managed Care Expansion | 11.507 | | (13,958,966) | 13,958,966 |
| FY17 Need | | (12,500,000) | (37,500,000) | 50,000,000 |

4. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE.

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | E |
|-------------------------------|---------------------------|-----------------------|----------------------------|------------------------|------------------------------|--------------------------|------------------------------|--------------------------|---|
| Grand Total | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | E |
| Program Distributions | 50,000,000 | | | | | | 50,000,000 | | |
| Total PSD | 50,000,000 | | 0 | | 0 | | 50,000,000 | | |
| Grand Total | 50,000,000 | 0.0 | 0 | 0.0 | 0 | 0.0 | 50,000,000 | 0.0 | |

NEW DECISION ITEM

Department of Social Services

MO HealthNet Division

GR Pickup for Tobacco Settlement Funds DI# 1886015

Budget Unit:

House Bill Sections: 11.435, 11.505

5. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

5a. Provide an effectiveness measure.

5b. Provide an efficiency measure.

**5c. Provide the number of clients/individuals
served, if applicable.**

**5d. Provide a customer satisfaction measure, if
available.**

6. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------------|---------|---------|---------|---------|----------|----------|--------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY | | | | | | | | |
| Tobacco GR Pickup - 1886015 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 36,041,034 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 36,041,034 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$36,041,034 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$36,041,034 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------------|------------|-------------|------------|-------------|------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MANAGED CARE | | | | | | | | |
| Tobacco GR Pickup - 1886015 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 13,958,966 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 13,958,966 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$13,958,966 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$13,958,966 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|---------------------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| MO HEALTHNET ADMIN | | | | | | | | | |
| CORE | | | | | | | | | |
| PERSONAL SERVICES | | | | | | | | | |
| GENERAL REVENUE | 2,689,464 | 53.31 | 2,620,857 | 64.53 | 2,620,857 | 64.53 | 2,620,857 | 64.53 | |
| DEPT OF SOC SERV FEDERAL & OTH | 5,321,540 | 123.30 | 5,395,307 | 124.97 | 5,395,307 | 124.97 | 5,395,307 | 124.97 | |
| THIRD PARTY LIABILITY COLLECT | 366,874 | 8.54 | 390,618 | 12.29 | 390,618 | 12.29 | 390,618 | 12.29 | |
| FEDERAL REIMBURSEMENT ALLOWANCE | 0 | 0.00 | 95,746 | 2.00 | 95,746 | 2.00 | 95,746 | 2.00 | |
| PHARMACY REIMBURSEMENT ALLOWAN | 22,091 | 0.50 | 26,085 | 0.50 | 26,085 | 0.50 | 26,085 | 0.50 | |
| NURSING FAC QUALITY OF CARE | 77,951 | 1.91 | 84,344 | 2.45 | 84,344 | 2.45 | 84,344 | 2.45 | |
| HEALTH INITIATIVES | 329,643 | 8.00 | 421,893 | 9.87 | 421,893 | 9.87 | 421,893 | 9.87 | |
| MISSOURI RX PLAN FUND | 449,371 | 10.38 | 760,005 | 17.00 | 760,005 | 17.00 | 760,005 | 17.00 | |
| AMBULANCE SERVICE REIMB ALLOW | 0 | 0.00 | 18,018 | 0.50 | 18,018 | 0.50 | 18,018 | 0.50 | |
| TOTAL - PS | 9,256,934 | 205.94 | 9,812,873 | 234.11 | 9,812,873 | 234.11 | 9,812,873 | 234.11 | |
| EXPENSE & EQUIPMENT | | | | | | | | | |
| GENERAL REVENUE | 652,903 | 0.00 | 693,067 | 0.00 | 693,067 | 0.00 | 693,067 | 0.00 | |
| DEPT OF SOC SERV FEDERAL & OTH | 3,250,869 | 0.00 | 3,333,341 | 0.00 | 3,333,341 | 0.00 | 3,333,341 | 0.00 | |
| THIRD PARTY LIABILITY COLLECT | 474,759 | 0.00 | 488,041 | 0.00 | 488,041 | 0.00 | 488,041 | 0.00 | |
| FEDERAL REIMBURSEMENT ALLOWANCE | 7,708 | 0.00 | 7,708 | 0.00 | 7,708 | 0.00 | 7,708 | 0.00 | |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 356 | 0.00 | 356 | 0.00 | 356 | 0.00 | |
| NURSING FAC QUALITY OF CARE | 10,281 | 0.00 | 10,281 | 0.00 | 10,281 | 0.00 | 10,281 | 0.00 | |
| HEALTH INITIATIVES | 40,143 | 0.00 | 41,385 | 0.00 | 41,385 | 0.00 | 41,385 | 0.00 | |
| MISSOURI RX PLAN FUND | 0 | 0.00 | 55,553 | 0.00 | 55,553 | 0.00 | 55,553 | 0.00 | |
| AMBULANCE SERVICE REIMB ALLOW | 3,466 | 0.00 | 3,466 | 0.00 | 3,466 | 0.00 | 3,466 | 0.00 | |
| TOTAL - EE | 4,440,129 | 0.00 | 4,633,198 | 0.00 | 4,633,198 | 0.00 | 4,633,198 | 0.00 | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 95,356 | 0.00 | 699 | 0.00 | 699 | 0.00 | 699 | 0.00 | |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 1,030 | 0.00 | 1,030 | 0.00 | 1,030 | 0.00 | |
| THIRD PARTY LIABILITY COLLECT | 13,283 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | |
| TOTAL - PD | 108,639 | 0.00 | 1,729 | 0.00 | 1,729 | 0.00 | 1,729 | 0.00 | |
| TOTAL | 13,805,702 | 205.94 | 14,447,800 | 234.11 | 14,447,800 | 234.11 | 14,447,800 | 234.11 | |
| Pay Plan - 0000012 | | | | | | | | | |
| PERSONAL SERVICES | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 52,417 | 0.00 | |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 107,906 | 0.00 | |

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DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | |
|--|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MO HEALTHNET ADMIN | | | | | | | | |
| Pay Plan - 0000012 | | | | | | | | |
| PERSONAL SERVICES | | | | | | | | |
| THIRD PARTY LIABILITY COLLECT | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 7,810 | 0.00 |
| FEDERAL REIMBURSEMENT ALLOWANCE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,915 | 0.00 |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 517 | 0.00 |
| NURSING FAC QUALITY OF CARE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,688 | 0.00 |
| HEALTH INITIATIVES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 8,439 | 0.00 |
| MISSOURI RX PLAN FUND | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 15,201 | 0.00 |
| AMBULANCE SERVICE REIMB ALLOW | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 361 | 0.00 |
| TOTAL - PS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 196,254 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 196,254 | 0.00 |
| Statewide Mgd Care Transition - 1886038 | | | | | | | | |
| PERSONAL SERVICES | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 286,002 | 7.50 | 0 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 286,002 | 7.50 | 0 | 0.00 |
| TOTAL - PS | 0 | 0.00 | 0 | 0.00 | 572,004 | 15.00 | 0 | 0.00 |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 564,984 | 0.00 | 0 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 564,984 | 0.00 | 0 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 1,129,968 | 0.00 | 0 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 1,701,972 | 15.00 | 0 | 0.00 |
| GRAND TOTAL | \$13,805,702 | 205.94 | \$14,447,800 | 234.11 | \$16,149,772 | 249.11 | \$14,644,054 | 234.11 |

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CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: MO HealthNet Administration

Budget Unit: 90512C
HB Section: 11.400

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | |
|------------------------|------------------|------------------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | 2,620,857 | 5,395,307 | 1,796,709 | 9,812,873 |
| EE | 693,067 | 3,333,341 | 606,790 | 4,633,198 |
| PSD | 699 | 1,030 | | 1,729 |
| TRF | | | | |
| Total | 3,314,623 | 8,729,678 | 2,403,499 | 14,447,800 |
| | | | | |
| FTE | 64.53 | 124.97 | 44.61 | 234.11 |

| | | | | |
|--|------------------|------------------|----------------|------------------|
| Est. Fringe | 1,367,255 | 2,735,195 | 941,065 | 5,043,515 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)
Health Initiatives Fund (HIF) (0275)
Nursing Facility Quality of Care Fund (NFQC) (0271)
Third Party Liability Collections Fund (TPL) (0120)
MO Rx Plan Fund (0779)
Federal Reimbursement Allowance Fund (FRA) (0142)
Ambulance Service Reimbursement Allowance Fund (0958)

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|------------------|------------------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | 2,620,857 | 5,395,307 | 1,796,709 | 9,812,873 |
| EE | 693,067 | 3,333,341 | 606,790 | 4,633,198 |
| PSD | 699 | 1,030 | | 1,729 |
| TRF | | | | |
| Total | 3,314,623 | 8,729,678 | 2,403,499 | 14,447,800 |
| | | | | |
| FTE | | | | 0.00 |

| | | | | |
|--|----------|----------|----------|----------|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)
Health Initiatives Fund (HIF) (0275)
Nursing Facility Quality of Care Fund (NFQC) (0271)
Third Party Liability Collections Fund (TPL) (0120)
MO Rx Plan Fund (0779)
Federal Reimbursement Allowance Fund (FRA) (0142)
Ambulance Service Reimbursement Allowance Fund (0958)

2. CORE DESCRIPTION

This core request is for the continued operation of the MO HealthNet program. The MO HealthNet Division seeks to aid participants and providers in their efforts to access the MO HealthNet program by utilizing administrative staffing, expense and equipment and contractor resources efficiently and effectively.

3. PROGRAM LISTING (list programs included in this core funding)

MO HealthNet Administration

CORE DECISION ITEM

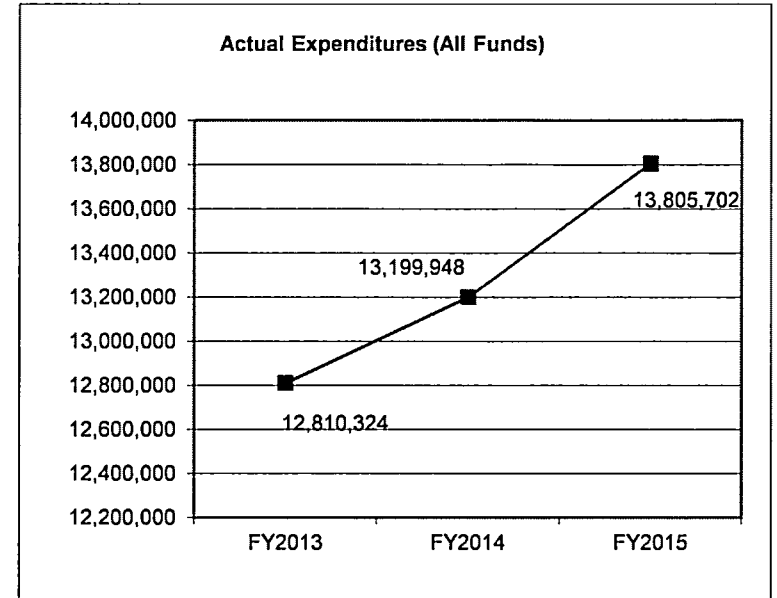
Department: Social Services
Division: MO HealthNet
Core: MO HealthNet Administration

Budget Unit: 90512C

HB Section: 11.400

4. FINANCIAL HISTORY

| | FY2013 Actual | FY2014 Actual | FY2015 Actual | FY2016 Current Yr. |
|---------------------------------|------------------|------------------|------------------|-----------------------|
| Appropriation (All Funds) | 14,127,453 | 14,626,180 | 14,716,493 | 14,447,800 |
| Less Reverted (All Funds) | (115,584) | (119,552) | (120,141) | N/A |
| Less Restricted (All Funds) | - | - | - | N/A |
| Budget Authority (All Funds) | 14,011,869 | 14,506,628 | 14,596,352 | N/A |
| Actual Expenditures (All Funds) | 12,810,324 | 13,199,948 | 13,805,702 | N/A |
| Unexpended (All Funds) | 1,201,545 | 1,306,680 | 790,650 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 27 | 1,939 | 0 | N/A |
| Federal | 634,479 | 731,123 | 206,849 | N/A |
| Other | 567,039 | 570,618 | 583,801 | N/A |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET ADMIN

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|------------------------------------|-----------------|---------------|------------------|------------------|------------------|-------------------|-------------|
| TAFP AFTER VETOES | | | | | | | |
| | PS | 234.11 | 2,620,857 | 5,395,307 | 1,796,709 | 9,812,873 | |
| | EE | 0.00 | 693,067 | 3,333,341 | 606,790 | 4,633,198 | |
| | PD | 0.00 | 699 | 1,030 | 0 | 1,729 | |
| | Total | 234.11 | 3,314,623 | 8,729,678 | 2,403,499 | 14,447,800 | |
| DEPARTMENT CORE REQUEST | | | | | | | |
| | PS | 234.11 | 2,620,857 | 5,395,307 | 1,796,709 | 9,812,873 | |
| | EE | 0.00 | 693,067 | 3,333,341 | 606,790 | 4,633,198 | |
| | PD | 0.00 | 699 | 1,030 | 0 | 1,729 | |
| | Total | 234.11 | 3,314,623 | 8,729,678 | 2,403,499 | 14,447,800 | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | |
| | PS | 234.11 | 2,620,857 | 5,395,307 | 1,796,709 | 9,812,873 | |
| | EE | 0.00 | 693,067 | 3,333,341 | 606,790 | 4,633,198 | |
| | PD | 0.00 | 699 | 1,030 | 0 | 1,729 | |
| | Total | 234.11 | 3,314,623 | 8,729,678 | 2,403,499 | 14,447,800 | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--------------------------------|---------|---------|-----------|---------|-----------|----------|-----------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MO HEALTHNET ADMIN | | | | | | | | |
| CORE | | | | | | | | |
| OFFICE SUPPORT ASST (CLERICAL) | 20,121 | 0.92 | 24,272 | 1.00 | 24,272 | 1.00 | 24,272 | 1.00 |
| ADMIN OFFICE SUPPORT ASSISTANT | 134,481 | 4.52 | 211,343 | 7.00 | 211,343 | 7.00 | 211,343 | 7.00 |
| OFFICE SUPPORT ASST (KEYBRD) | 34,618 | 1.53 | 78,713 | 3.00 | 78,713 | 3.00 | 78,713 | 3.00 |
| SR OFC SUPPORT ASST (KEYBRD) | 254,105 | 9.93 | 309,364 | 11.00 | 309,364 | 11.00 | 309,364 | 11.00 |
| ACCOUNT CLERK II | 79,567 | 3.16 | 131,394 | 5.00 | 131,394 | 5.00 | 131,394 | 5.00 |
| AUDITOR II | 124,813 | 3.34 | 150,176 | 4.00 | 150,176 | 4.00 | 150,176 | 4.00 |
| AUDITOR I | 98,758 | 2.90 | 164,224 | 5.00 | 164,224 | 5.00 | 164,224 | 5.00 |
| SENIOR AUDITOR | 222,494 | 5.34 | 291,981 | 7.00 | 291,981 | 7.00 | 291,981 | 7.00 |
| ACCOUNTANT I | 61,247 | 2.00 | 61,956 | 2.00 | 61,956 | 2.00 | 61,956 | 2.00 |
| ACCOUNTANT III | 166,811 | 3.98 | 171,082 | 4.00 | 171,082 | 4.00 | 171,082 | 4.00 |
| PERSONNEL OFCR I | 43,254 | 0.99 | 42,134 | 1.00 | 42,134 | 1.00 | 42,134 | 1.00 |
| EXECUTIVE II | 29,975 | 0.83 | 36,197 | 1.00 | 36,197 | 1.00 | 36,197 | 1.00 |
| MANAGEMENT ANALYSIS SPEC II | 335,377 | 7.65 | 392,866 | 9.00 | 392,866 | 9.00 | 392,866 | 9.00 |
| HEALTH PROGRAM REP III | 0 | 0.00 | 1 | 0.00 | 1 | 0.00 | 1 | 0.00 |
| ADMINISTRATIVE ANAL I | 14,880 | 0.41 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| PHYSICIAN | 119,331 | 1.00 | 119,897 | 1.00 | 119,897 | 1.00 | 119,897 | 1.00 |
| REGISTERED NURSE - CLIN OPERS | 287,082 | 5.22 | 248,834 | 4.00 | 248,834 | 4.00 | 248,834 | 4.00 |
| FAMILY SUPPORT ELIGIBILITY SPC | 614 | 0.02 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| PROGRAM DEVELOPMENT SPEC | 634,225 | 15.59 | 577,013 | 14.00 | 577,013 | 14.00 | 577,013 | 14.00 |
| MEDICAID PROGRAM RELATIONS REP | 165,125 | 4.11 | 192,181 | 5.00 | 192,181 | 5.00 | 192,181 | 5.00 |
| CORRESPONDENCE & INFO SPEC I | 581,379 | 16.60 | 615,178 | 17.50 | 615,178 | 17.50 | 615,178 | 17.50 |
| MEDICAID PHARMACEUTICAL TECH | 213,101 | 6.55 | 226,755 | 7.00 | 226,755 | 7.00 | 226,755 | 7.00 |
| MEDICAID CLERK | 227,958 | 8.01 | 264,108 | 10.00 | 264,108 | 10.00 | 264,108 | 10.00 |
| MEDICAID TECHNICIAN | 702,048 | 21.72 | 955,572 | 28.66 | 955,572 | 28.66 | 955,572 | 28.66 |
| MEDICAID SPEC | 943,317 | 24.68 | 1,044,723 | 27.87 | 1,044,723 | 27.87 | 1,044,723 | 27.87 |
| MEDICAID UNIT SPV | 267,574 | 6.02 | 552,845 | 11.00 | 552,845 | 11.00 | 552,845 | 11.00 |
| FISCAL & ADMINISTRATIVE MGR B1 | 324,754 | 6.42 | 301,032 | 6.00 | 301,032 | 6.00 | 301,032 | 6.00 |
| FISCAL & ADMINISTRATIVE MGR B2 | 322,756 | 5.06 | 383,584 | 6.00 | 383,584 | 6.00 | 383,584 | 6.00 |
| RESEARCH MANAGER B1 | 0 | 0.00 | 55,454 | 1.00 | 55,454 | 1.00 | 55,454 | 1.00 |
| SOCIAL SERVICES MGR, BAND 1 | 172,024 | 3.49 | 100,086 | 2.00 | 100,086 | 2.00 | 100,086 | 2.00 |
| SOCIAL SERVICES MNGR, BAND 2 | 613,712 | 11.00 | 719,868 | 13.00 | 719,868 | 13.00 | 719,868 | 13.00 |
| DESIGNATED PRINCIPAL ASST DEPT | 15,030 | 0.20 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MO HEALTHNET ADMIN | | | | | | | | |
| CORE | | | | | | | | |
| DIVISION DIRECTOR | 204,436 | 1.00 | 205,346 | 1.00 | 205,346 | 1.00 | 205,346 | 1.00 |
| DEPUTY DIVISION DIRECTOR | 219,281 | 1.87 | 90,402 | 1.00 | 90,402 | 1.00 | 90,402 | 1.00 |
| DESIGNATED PRINCIPAL ASST DIV | 182,034 | 2.11 | 93,088 | 1.08 | 93,088 | 1.08 | 93,088 | 1.08 |
| LEGAL COUNSEL | 94,407 | 1.28 | 72,798 | 1.00 | 72,798 | 1.00 | 72,798 | 1.00 |
| CLERK | 765 | 0.04 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| AUDITOR | 8,585 | 0.21 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| MISCELLANEOUS TECHNICAL | 645 | 0.01 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| MISCELLANEOUS PROFESSIONAL | 53,047 | 0.92 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| SPECIAL ASST PROFESSIONAL | 1,210,767 | 13.87 | 820,536 | 13.00 | 820,536 | 13.00 | 820,536 | 13.00 |
| SPECIAL ASST OFFICE & CLERICAL | 57,480 | 1.23 | 107,870 | 3.00 | 107,870 | 3.00 | 107,870 | 3.00 |
| REGISTERED NURSE | 14,956 | 0.21 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| TOTAL - PS | 9,256,934 | 205.94 | 9,812,873 | 234.11 | 9,812,873 | 234.11 | 9,812,873 | 234.11 |
| TRAVEL, IN-STATE | 3,515 | 0.00 | 5,370 | 0.00 | 5,370 | 0.00 | 5,370 | 0.00 |
| TRAVEL, OUT-OF-STATE | 5,027 | 0.00 | 3,786 | 0.00 | 3,786 | 0.00 | 3,786 | 0.00 |
| SUPPLIES | 340,502 | 0.00 | 392,773 | 0.00 | 392,773 | 0.00 | 392,773 | 0.00 |
| PROFESSIONAL DEVELOPMENT | 87,639 | 0.00 | 45,576 | 0.00 | 45,576 | 0.00 | 45,576 | 0.00 |
| COMMUNICATION SERV & SUPP | 89,084 | 0.00 | 90,000 | 0.00 | 90,000 | 0.00 | 90,000 | 0.00 |
| PROFESSIONAL SERVICES | 3,891,710 | 0.00 | 4,047,755 | 0.00 | 4,054,243 | 0.00 | 4,054,243 | 0.00 |
| M&R SERVICES | 14,459 | 0.00 | 5,000 | 0.00 | 5,000 | 0.00 | 5,000 | 0.00 |
| COMPUTER EQUIPMENT | 0 | 0.00 | 6,488 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| OFFICE EQUIPMENT | 6,742 | 0.00 | 17,152 | 0.00 | 17,152 | 0.00 | 17,152 | 0.00 |
| OTHER EQUIPMENT | 0 | 0.00 | 2,462 | 0.00 | 2,462 | 0.00 | 2,462 | 0.00 |
| PROPERTY & IMPROVEMENTS | 0 | 0.00 | 6,241 | 0.00 | 6,241 | 0.00 | 6,241 | 0.00 |
| BUILDING LEASE PAYMENTS | 0 | 0.00 | 900 | 0.00 | 900 | 0.00 | 900 | 0.00 |
| EQUIPMENT RENTALS & LEASES | 0 | 0.00 | 2,449 | 0.00 | 2,449 | 0.00 | 2,449 | 0.00 |
| MISCELLANEOUS EXPENSES | 1,451 | 0.00 | 7,246 | 0.00 | 7,246 | 0.00 | 7,246 | 0.00 |
| TOTAL - EE | 4,440,129 | 0.00 | 4,633,198 | 0.00 | 4,633,198 | 0.00 | 4,633,198 | 0.00 |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------|--------------|---------|--------------|---------|--------------|----------|--------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MO HEALTHNET ADMIN | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 108,639 | 0.00 | 1,729 | 0.00 | 1,729 | 0.00 | 1,729 | 0.00 |
| TOTAL - PD | 108,639 | 0.00 | 1,729 | 0.00 | 1,729 | 0.00 | 1,729 | 0.00 |
| GRAND TOTAL | \$13,805,702 | 205.94 | \$14,447,800 | 234.11 | \$14,447,800 | 234.11 | \$14,447,800 | 234.11 |
| GENERAL REVENUE | \$3,437,723 | 53.31 | \$3,314,623 | 64.53 | \$3,314,623 | 64.53 | \$3,314,623 | 64.53 |
| FEDERAL FUNDS | \$8,572,409 | 123.30 | \$8,729,678 | 124.97 | \$8,729,678 | 124.97 | \$8,729,678 | 124.97 |
| OTHER FUNDS | \$1,795,570 | 29.33 | \$2,403,499 | 44.61 | \$2,403,499 | 44.61 | \$2,403,499 | 44.61 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.400

Program Name: MO HealthNet Administration

Program is found in the following core budget(s): MO HealthNet Administration

1. What does this program do?

In order to efficiently operate the \$9.4 billion MO HealthNet program (also known as Missouri Medicaid), the MO HealthNet Division effectively utilizes its appropriated staff of 234.11 FTE. The staff running the MO HealthNet program account for less than 0.43% of total state employees while the MO HealthNet program comprises 26.0% of the total FY 2016 state operating budget of \$36.1 billion. The Administrative portion of the budget (Personal Services and Expense and Equipment) comprises less than 0.2% of the division's total budget. As of June 2015, there were a total of 944,257 participants enrolled in MO HealthNet. MO HealthNet Division's staff assist participants as well as providers.

Administrative expenditures for the division consist of Personal Services and Expense and Equipment. These expenditures are driven by the operational demands of supporting the MO HealthNet program. The division operates both a fee-for-service program and a managed care program. As of June 2015, there were 459,380 participants in capitated managed care in the Eastern, Central and Western regions of the state and 484,877 MO HealthNet participants in the fee-for-service programs.

Personal Services

The Division is structured into five major sections: (1) Administration; (2) Finance; (3) Program Operations; (4) Evidenced-Based Decision Support; and (5) Information Systems.

Administration

- Establishes goals, objectives, policies, and procedures; provides overall guidance and direction; coordinates legislative guidance on MO HealthNet issues; and completes final review of the budget and State Plan Amendments.

Finance

- Financial Operations and Recoveries Unit - Manages the financial procedures of the division; creates internal expenditure reports; prepares adjustments to claims; receives and deposits payments; manages provider account receivables and IRS 1099 information; manages lock box, automatic withdrawals and cash deposits for CHIP and spenddown pay-in cases; administers a program to offset MO HealthNet expenditures when participants have third party coverage; MMAC liaison; and provides audit support.
- Budget, Analysis and Rate Development Unit - Develops capitation rates with an actuary for Managed Care Program, NEMT and PACE; prepares federal budget neutrality reports; develops and tracks the division's annual budget request; prepares fiscal notes and program projections; prepares quarterly estimates and expenditure reports required by CMS; prepares legislative bill reviews; processes accounts payable for the division; and administers the pharmacy and ambulance tax.
- Institutional Reimbursement - Calculates hospital inpatient and outpatient rates and FQHC/RHC reimbursements; sets nursing home reimbursement rates; and administers hospital, nursing facility and ICF/MR provider taxes.

Key projects in FY2016 for MHD Finance will include managed care geographic expansion planning and implementation and planning for a new third party liability contract, effective July 2016.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.400

Program Name: MO HealthNet Administration

Program is found in the following core budget(s): MO HealthNet Administration

Program Operations

- **Managed Care** - Oversee contract compliance of three health plans; development and operations of the Managed Care Program; support Managed Care enrollment; and work with providers and participants to increase access and improve health outcomes.
 - **Clinical Services Program Management** - Provides day-to-day oversight of MO HealthNet benefit programs; creates cost containment initiatives and clinical policy tools to enhance efforts to provide appropriate quality medical care to participants; operationalizes recommendations made by the Evidence-Based Decision Support team.
 - **Program Relations** - Responsible for provider education, provider communications, participant services and premium collections. Oversees external call centers and resolves claim reimbursement inquiries.
 - **Program Operations and Waivers** - Develops, monitors and evaluates Federal Waiver programs; coordinates School District Administration Claiming (SDAC) to ensure comprehensive preventative health care program for MO HealthNet eligible children; monitors and evaluates non-emergency transportation contracted vendor.
- Pharmacy - Oversees outpatient prescription drug reimbursement for MO HealthNet eligibles; oversight of contracts with outside vendors for pharmacy program activities; collects rebates from pharmaceutical manufacturers; provides program oversight for Missouri's Pharmacy Assistance Program, MORx.

Evidence-Based Decision Support

- **Evidence-Based Decision Support** - Develops strategies to improve the health status of MO HealthNet participants; assess quality of care provided under Managed Care and Fee-For-Service; evidence based clinical decision development and support; and patient centered medical home management. This section is lead by the MO HealthNet medical director.

Key projects in FY2016 include, in part:

- **Intensive Behavioral Therapy for Childhood and Adult Obesity** - This evidence based program is being developed by the division with input from clinical experts. The program will provide intensive behavioral therapy to address obesity in children and adults, with the goals of slowing the rate of obesity and ultimately returning the eligible population to a healthy weight. Evidence shows that these interventions can slow the rate of development of chronic diseases such as diabetes and the concomitant complication, providing cost-savings to Medicaid.
- **Telehealth Program** - The division is evaluating the current telehealth policy to align with new telehealth developments, research, and national guidelines; developing details of the policy; and beginning the modeling process to determine the financial impact.
- **Episodes of Care** - The division is evaluating other state models of episodes of care to develop a pilot model to reward providers who deliver cost effective care and who meet quality thresholds and to share costs when benchmarks are not met, initially focusing on a surgical, medical, obstetrics, and a mental health condition.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.400

Program Name: MO HealthNet Administration

Program is found in the following core budget(s): MO HealthNet Administration

Information Services

- Information Systems - The primary claims processing system is the Medicaid Management Information System (MMIS). MO HealthNet also manages a clinical management services system for pharmacy and prior authorization. These systems process over 100 million claims and Managed Care encounters annually.
- The current contracts for these systems may be extended through June 30, 2017. The division has evaluated the options for the future of these systems and determined that a replacement of the MMIS is the best option. The division is currently developing requests for proposals to procure a replacement MMIS. The division also has determined that a separate enterprise data warehouse would better serve the business intelligence and data analytics needs of the entire Medicaid program and is working towards procurement of a solution.

Expense and Equipment - Approximately 81% of the division's Expense and Equipment expenditures comprise of payments to contractors for professional services including, but not limited to, actuarial services; contracts with health care professionals to conduct utilization claim reviews to determine medical necessity of services; and services of an external quality reviewer as required by federal law.

The remaining 17% of administrative Expense and Equipment expenditures support MO HealthNet staff for such routine operational expenses as supplies, postage and office equipment.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

3. Are there federal matching requirements? If yes, please explain.

General Medicaid administrative expenditures earn a 50% federal match. However, some positions earn 75% federal match such as our medical staff. Certain services through contracted vendors, earn 75% or 90% federal match.

4. Is this a federally mandated program? If yes, please explain.

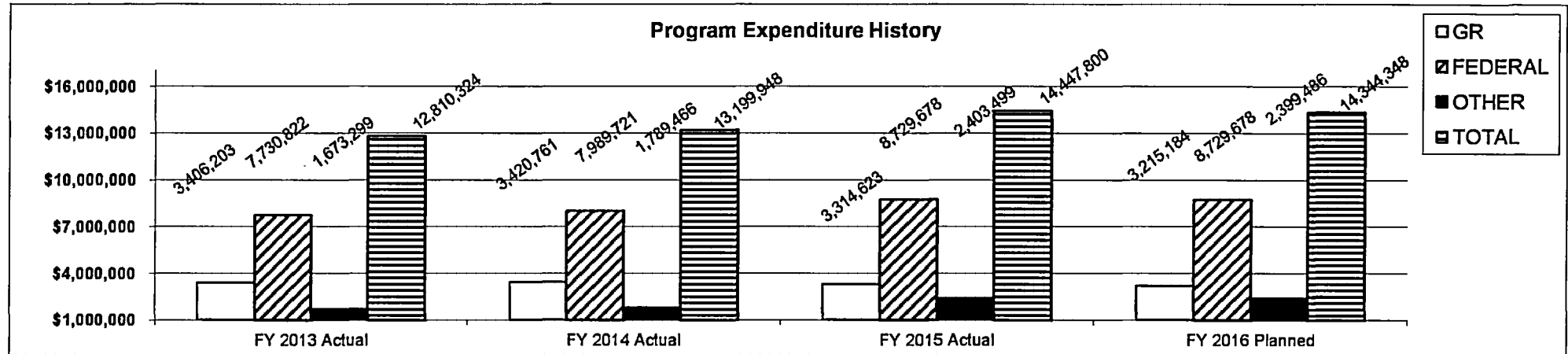
Yes.

PROGRAM DESCRIPTION

Department: Social Services
Program Name: MO HealthNet Administration
Program is found in the following core budget(s): MO HealthNet Administration

HB Section: 11.400

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2016 planned is net of reverted and reserved.

6. What are the sources of the "Other" funds?

Federal Reimbursement Allowance Fund (0142), Third Party Liability Collections Fund (0120), Nursing Facility Quality of Care Fund (0271), Health Initiatives Fund (0275), Pharmacy Reimbursement Allowance Fund (0144), Missouri Rx Plan Fund (0779) and Ambulance Service Reimbursement Allowance Fund (0958).

7a. Provide an effectiveness measure.

MO HealthNet Administration supports all division programs. Effectiveness measures can be found in Program sections.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.400

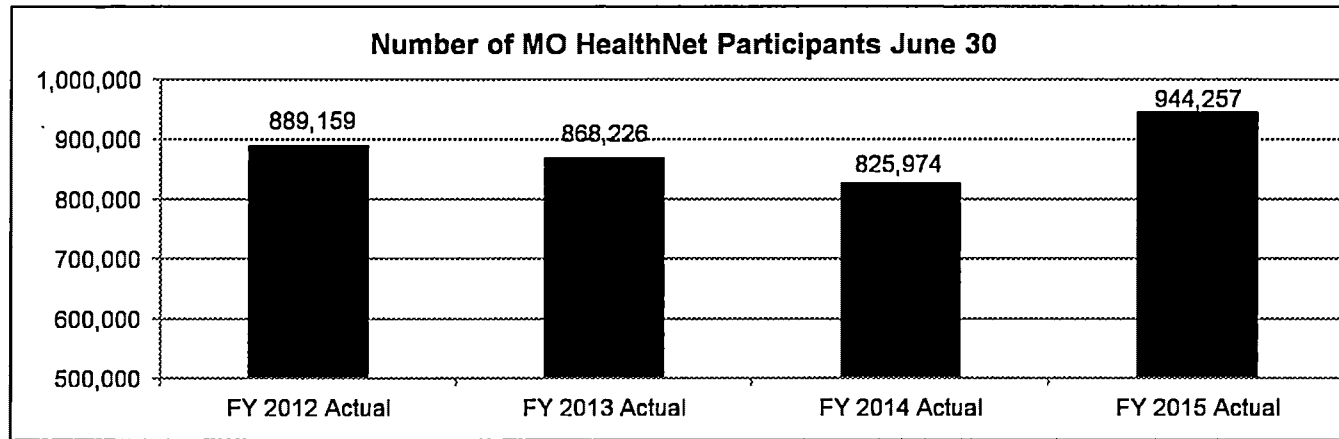
Program Name: MO HealthNet Administration

Program is found in the following core budget(s): MO HealthNet Administration

7b. Provide an efficiency measure.

MO HealthNet Administration supports all division programs. Efficiency measures can be found in the Program sections.

7c. Provide the number of clients/individuals served, if applicable.



7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | |
|--------------------------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| CLINICAL SRVC MGMT | | | | | | | | |
| CORE | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 461,870 | 0.00 | 461,917 | 0.00 | 461,917 | 0.00 | 461,917 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 11,845,642 | 0.00 | 12,214,032 | 0.00 | 12,214,032 | 0.00 | 12,214,032 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 892,586 | 0.00 | 924,911 | 0.00 | 924,911 | 0.00 | 924,911 | 0.00 |
| MISSOURI RX PLAN FUND | 577,951 | 0.00 | 1,560,595 | 0.00 | 1,560,595 | 0.00 | 1,560,595 | 0.00 |
| TOTAL - EE | 13,778,049 | 0.00 | 15,161,455 | 0.00 | 15,161,455 | 0.00 | 15,161,455 | 0.00 |
| TOTAL | 13,778,049 | 0.00 | 15,161,455 | 0.00 | 15,161,455 | 0.00 | 15,161,455 | 0.00 |
| GRAND TOTAL | \$13,778,049 | 0.00 | \$15,161,455 | 0.00 | \$15,161,455 | 0.00 | \$15,161,455 | 0.00 |

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Clinical Services Program Management

Budget Unit: 90516C
HB Section: 11.405

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | |
|------------------------|----------------|-------------------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 |
| PSD | | | | |
| TRF | | | | |
| Total | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds: Third Party Liability Collections (TPL) (0120)
MO Rx Plan Fund (0779)

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|----------------|-------------------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 |
| PSD | | | | |
| TRF | | | | |
| Total | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 |
| FTE | | | | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds: Third Party Liability Collections (TPL) (0120)
MO Rx Plan Fund (0779)

2. CORE DESCRIPTION

This core request is for contractor costs that support the Pharmacy and Clinical Services programs. Funding is used for cost containment initiatives and clinical policy decision-making to enhance efforts to provide appropriate and quality medical care to participants. MO HealthNet Division seeks to aid participants and providers in their efforts to access the MO HealthNet program by utilizing contractor resources effectively.

3. PROGRAM LISTING (list programs included in this core funding)

Clinical Services Program Management
Missouri Rx Program

CORE DECISION ITEM

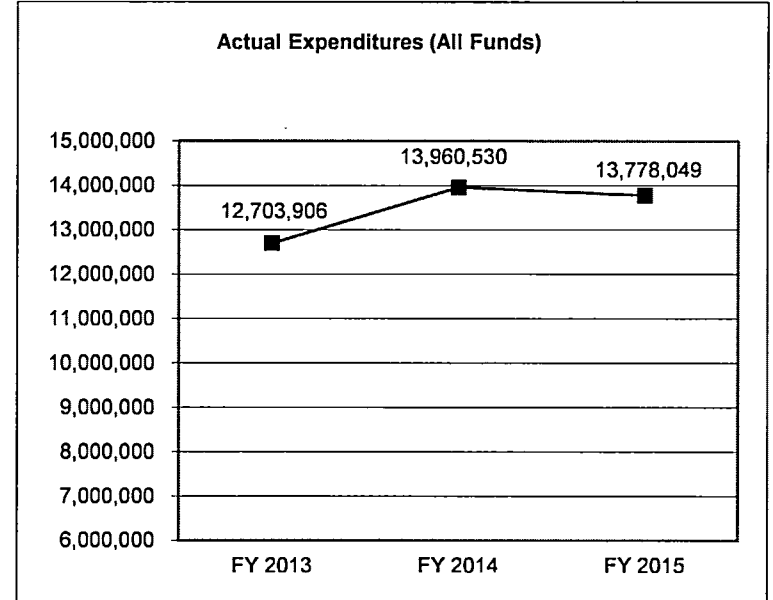
Department: Social Services
Division: MO HealthNet
Core: Clinical Services Program Management

Budget Unit: 90516C

HB Section: 11.405

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|
| Appropriation (All Funds) | 17,784,931 | 17,775,692 | 17,775,692 | 15,161,455 |
| Less Reverted (All Funds) | (14,517) | (14,285) | (14,285) | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 17,770,489 | 17,761,407 | 17,761,407 | N/A |
| Actual Expenditures (All Funds) | 12,703,906 | 13,960,530 | 13,778,049 | N/A |
| Unexpended (All Funds) | 5,066,583 | 3,800,877 | 3,983,358 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | | | | |
| Federal | 1,040,130 | 135,205 | 368,390 | N/A |
| Other | 4,026,379 | 3,665,672 | 3,614,969 | N/A |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES**CLINICAL SRVC MGMT**

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|------------------------------------|-----------------|-------------|----------------|-------------------|------------------|-------------------|-------------|
| TAFP AFTER VETOES | | | | | | | |
| | EE | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |
| | Total | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |
| DEPARTMENT CORE REQUEST | | | | | | | |
| | EE | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |
| | Total | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | |
| | EE | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |
| | Total | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------|--------------|---------|--------------|---------|--------------|----------|--------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| CLINICAL SRVC MGMT | | | | | | | | |
| CORE | | | | | | | | |
| TRAVEL, IN-STATE | 14,213 | 0.00 | 10,859 | 0.00 | 10,859 | 0.00 | 10,859 | 0.00 |
| TRAVEL, OUT-OF-STATE | 2,452 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| SUPPLIES | 361,816 | 0.00 | 422,601 | 0.00 | 422,601 | 0.00 | 422,601 | 0.00 |
| PROFESSIONAL DEVELOPMENT | 780 | 0.00 | 1,000 | 0.00 | 1,000 | 0.00 | 1,000 | 0.00 |
| COMMUNICATION SERV & SUPP | 89,052 | 0.00 | 91,996 | 0.00 | 91,996 | 0.00 | 91,996 | 0.00 |
| PROFESSIONAL SERVICES | 13,262,111 | 0.00 | 14,581,936 | 0.00 | 14,581,936 | 0.00 | 14,581,936 | 0.00 |
| M&R SERVICES | 19,267 | 0.00 | 33,131 | 0.00 | 33,131 | 0.00 | 33,131 | 0.00 |
| OFFICE EQUIPMENT | 6,556 | 0.00 | 4,500 | 0.00 | 4,500 | 0.00 | 4,500 | 0.00 |
| OTHER EQUIPMENT | 1,234 | 0.00 | 7,000 | 0.00 | 7,000 | 0.00 | 7,000 | 0.00 |
| PROPERTY & IMPROVEMENTS | 17,798 | 0.00 | 250 | 0.00 | 250 | 0.00 | 250 | 0.00 |
| BUILDING LEASE PAYMENTS | 840 | 0.00 | 1,402 | 0.00 | 1,402 | 0.00 | 1,402 | 0.00 |
| MISCELLANEOUS EXPENSES | 1,764 | 0.00 | 6,780 | 0.00 | 6,780 | 0.00 | 6,780 | 0.00 |
| REBILLABLE EXPENSES | 166 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| TOTAL - EE | 13,778,049 | 0.00 | 15,161,455 | 0.00 | 15,161,455 | 0.00 | 15,161,455 | 0.00 |
| GRAND TOTAL | \$13,778,049 | 0.00 | \$15,161,455 | 0.00 | \$15,161,455 | 0.00 | \$15,161,455 | 0.00 |
| GENERAL REVENUE | \$461,870 | 0.00 | \$461,917 | 0.00 | \$461,917 | 0.00 | \$461,917 | 0.00 |
| FEDERAL FUNDS | \$11,845,642 | 0.00 | \$12,214,032 | 0.00 | \$12,214,032 | 0.00 | \$12,214,032 | 0.00 |
| OTHER FUNDS | \$1,470,537 | 0.00 | \$2,485,506 | 0.00 | \$2,485,506 | 0.00 | \$2,485,506 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.405

Program Name: Clinical Services Program Management

Program is found in the following core budget(s): Clinical Services Program Management

1. What does this program do?

The funding for Clinical Services Program Management supports contractor costs for Pharmacy and Clinical Services.

Pharmacy

Through the Pharmacy Program, the Division is able to maintain current cost containment initiatives and implement new cost containment initiatives. Major initiatives include:

- Maintenance and Updates to Fiscal and Clinical Edits
- Quarterly Updates to the Missouri Maximum Allowable Cost (MACs)
- Prospective and Retrospective Drug Use Review (DUR)
- Routine/Adhoc Drug Information Research
- Pharmacy Help Desk Staffing
- Enrollment and Administration of Case Management
- Preferred Drug List (PDL) and Supplemental Rebates

These initiatives, along with other cost containment activities, have resulted in pharmacy costs that trend significantly lower than the national trend over the past few years.

Clinical

Major Clinical Services initiatives include:

- Smart Prior Authorization (PA) for Durable Medical Equipment (DME), including Dental and Optometry
- Psychology and Medical Help Desk Staffing
- Major Medical PA, including Radiology Imaging
- Medical Evidence - Oregon Contract

CyberAccessSM

CyberAccessSM is an Electronic Health Record (EHR) program for MO HealthNet participants which is available to their healthcare providers. The web-based tool, called CyberAccess, allows physicians to prescribe electronically, view diagnosis data, receive alerts, select appropriate preferred medications, and electronically request drug and medical prior authorizations for their MO HealthNet patients. The continued funding for CyberAccess is critical to continue to support the pharmacy and medical cost containment initiatives and electronic health records. EPSDT forms and patient specific lab results are currently available through the platform. Linkages to other health record systems yielding interoperability between systems is under development (Health Information Network). A companion participant web portal tool, Direct Inform, has been developed and deployed to pilot providers.

The Clinical Services Program Management unit is also responsible for program development and clinical policy decision-making for MO HealthNet, with these activities oriented to the health and continuum of care needed by MO HealthNet participants. Policy development, benefit design and coverage decisions are made by the unit using best practices and evidence-based medicine.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.405

Program Name: Clinical Services Program Management

Program is found in the following core budget(s): Clinical Services Program Management

Since July 2010, the MO HealthNet Division (MHD), in conjunction with Xerox (formerly ACS-Heritage) and MedSolutions (MSI), implemented a quality-based Radiology Benefit Management Program (RBM). The RBM is an expansion of the existing pre-certification process used for MRIs and CTs of the brain, head, chest and spine. The RBM works to determine clinical appropriateness of the usage of high-tech radiology services, and provides guidelines for application and use based on expert information and evidence-based data. Pre-certification requests are handled using industry-recognized clinical guidelines. These guidelines are used to ensure the appropriate scope, complexity and clinical need of the tests that will be performed to assist in managing costs.

The MHD and Department of Health and Senior Services (DHSS), Division of Senior and Disability Services (DSDS) have implemented a single integrated web-based instrument for entering, tracking and approving Home and Community Based Services (HCBS) requests and follow-up data. The electronic tool (a component of CyberAccess) allows consistent service authorization and delivery to clients with varying needs. The tool is based on a real-time interface with Medicaid claims data to allow automated and transparent processing of requests for services. All HCBS clients are assessed for services using the same tool, employing a rules-based engine to establish a customized service plan based on their specific need.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

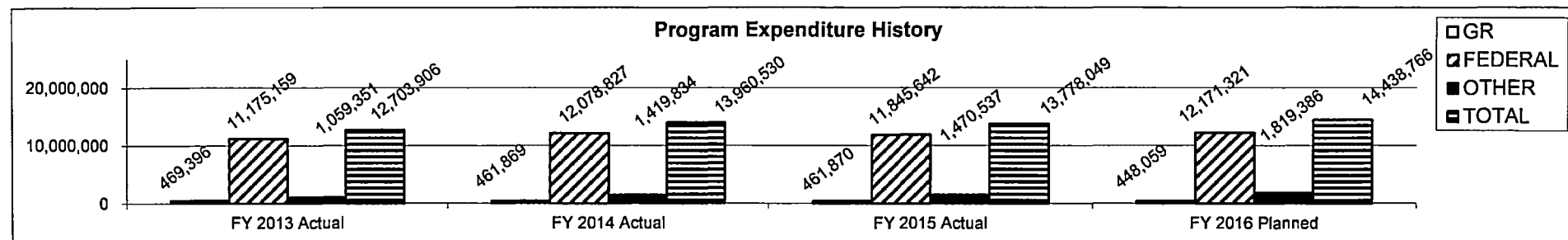
3. Are there federal matching requirements? If yes, please explain.

Generally, MO HealthNet administrative expenditures earn a 50% federal match. The Clinical Management Services for Pharmacy and Prior Authorization is matched at 75%.

4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902 (a) (4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2016 planned is net of reverted and reserved.

PROGRAM DESCRIPTION

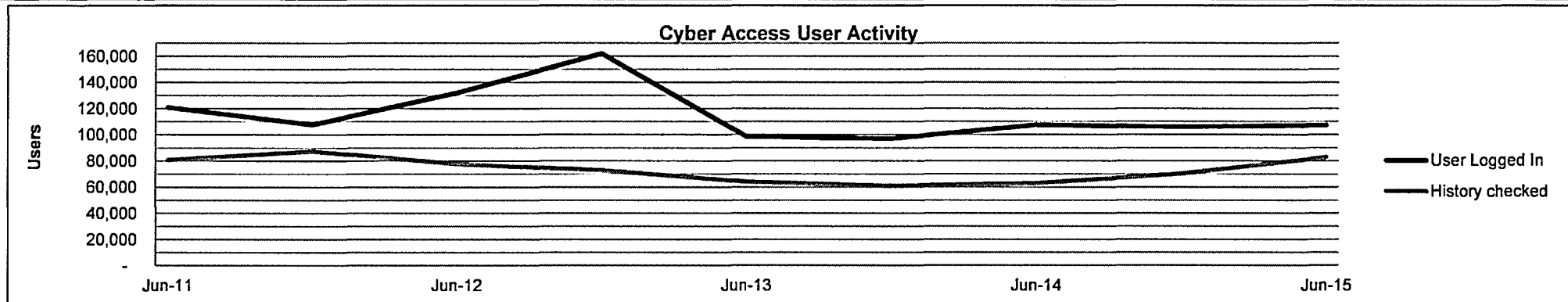
Department: Social Services
Program Name: Clinical Services Program Management
Program is found in the following core budget(s): Clinical Services Program Management

HB Section: 11.405

6. What are the sources of the "Other " funds?

FY 2013-FY 2016: Third Party Liability Fund (0120) and Missouri Rx Plan Fund (0779)

7a. Provide an effectiveness measure.



7b. Provide an efficiency measure.

N/A

7c. Provide the number of clients/individuals served, if applicable.

Number of Pharmacy Claims

| SFY | Projected | Actual |
|------|-----------|----------|
| 2013 | 13.5 mil | 13.0 mil |
| 2014 | 12.9 mil | 12.5 mil |
| 2015 | 12.5 mil | 12.3 mil |
| 2016 | 13.2 mil | |
| 2017 | 13.2 mil | |
| 2018 | 13.2 mil | |

Source: MMIS Pharmacy Reimbursement Allowance Report

7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|--------------------------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| WOMEN & MINORITY OUTREACH | | | | | | | | | |
| CORE | | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | | |
| GENERAL REVENUE | 529,741 | 0.00 | 529,796 | 0.00 | 529,796 | 0.00 | 529,796 | 0.00 | |
| DEPT OF SOC SERV FEDERAL & OTH | 546,125 | 0.00 | 568,625 | 0.00 | 568,625 | 0.00 | 568,625 | 0.00 | |
| TOTAL - EE | 1,075,866 | 0.00 | 1,098,421 | 0.00 | 1,098,421 | 0.00 | 1,098,421 | 0.00 | |
| TOTAL | 1,075,866 | 0.00 | 1,098,421 | 0.00 | 1,098,421 | 0.00 | 1,098,421 | 0.00 | |
| GRAND TOTAL | \$1,075,866 | 0.00 | \$1,098,421 | 0.00 | \$1,098,421 | 0.00 | \$1,098,421 | 0.00 | |

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CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Women & Minority Health Care Outreach

Budget Unit: 90513C
HB Section: 11.410

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | |
|------------------------|----------------|----------------|-------|------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | 529,796 | 568,625 | | 1,098,421 |
| PSD | | | | |
| TRF | | | | |
| Total | 529,796 | 568,625 | | 1,098,421 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|----------------|----------------|-------|------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | 529,796 | 568,625 | | 1,098,421 |
| PSD | | | | |
| TRF | | | | |
| Total | 529,796 | 568,625 | | 1,098,421 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

2. CORE DESCRIPTION

This core request is for the continued funding of the Women and Minority Health Care Outreach programs. These programs provide client outreach and education about the MO HealthNet program and reduce disparities in healthcare access for women and minority populations.

3. PROGRAM LISTING (list programs included in this core funding)

Women and Minority Health Care Outreach Program

CORE DECISION ITEM

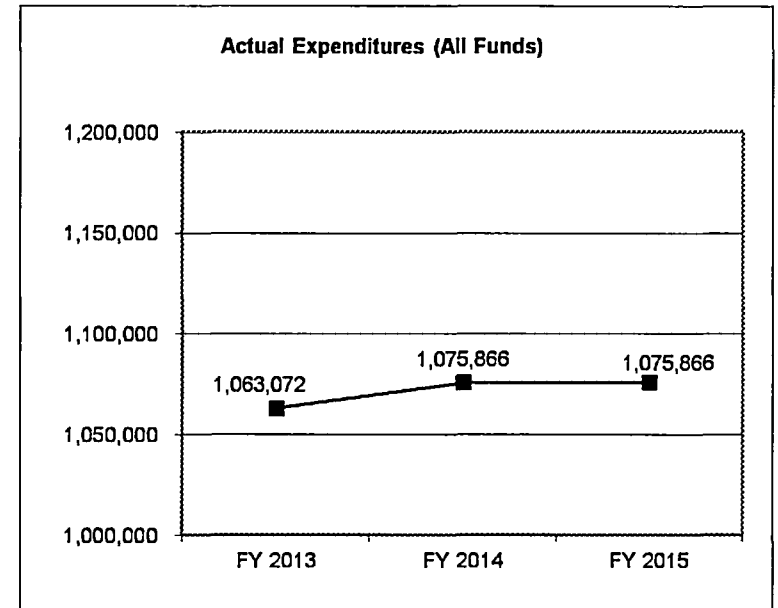
Department: Social Services
Division: MO HealthNet
Core: Women & Minority Health Care Outreach

Budget Unit: 90513C

HB Section: 11.410

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|
| Appropriation (All Funds) | 1,114,750 | 1,114,750 | 1,114,750 | 1,098,421 |
| Less Reverted (All Funds) | (16,384) | (16,384) | (16,384) | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 1,098,366 | 1,098,366 | 1,098,366 | N/A |
| Actual Expenditures (All Funds) | 1,063,072 | 1,075,866 | 1,075,866 | N/A |
| Unexpended (All Funds) | 35,294 | 22,500 | 22,500 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 35,294 | 22,500 | 22,500 | N/A |
| Other | 0 | 0 | 0 | N/A |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES**WOMEN & MINORITY OUTREACH**

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|-----------------------------|-----------------|-------------|----------------|----------------|----------|------------------|-------------|
| <hr/> | | | | | | | |
| TAFP AFTER VETOES | EE | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | |
| | Total | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | |
| <hr/> | | | | | | | |
| DEPARTMENT CORE REQUEST | EE | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | |
| | Total | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | |
| <hr/> | | | | | | | |
| GOVERNOR'S RECOMMENDED CORE | EE | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | |
| | Total | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | |
| <hr/> | | | | | | | |

FLEXIBILITY REQUEST FORM

| BUDGET UNIT NUMBER: 90513C BUDGET UNIT NAME: Women's and Minority Health Care Outreach HOUSE BILL SECTION: 11.410 | DEPARTMENT: Social Services DIVISION: MO HealthNet | | | | | | | | | | | | |
|--|---|------------------|-----------------------|------------------|-----------------------|------------------------------|-------------|-----|-----------|--|-------------|-----|-----------|
| 1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. | | | | | | | | | | | | | |
| DEPARTMENT REQUEST | | | | | | | | | | | | | |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: center;">Core</th> <th style="width: 20%; text-align: center;">% Flex Requested</th> <th style="width: 30%; text-align: center;">Flex Requested Amount</th> </tr> </thead> <tbody> <tr> <td><i>Total Program Request</i></td> <td style="text-align: right;">\$1,098,421</td> <td style="text-align: center;">10%</td> <td style="text-align: right;">\$109,842</td> </tr> <tr> <td></td> <td style="text-align: right;">\$1,098,421</td> <td style="text-align: center;">25%</td> <td style="text-align: right;">\$274,605</td> </tr> </tbody> </table> | | | Core | % Flex Requested | Flex Requested Amount | <i>Total Program Request</i> | \$1,098,421 | 10% | \$109,842 | | \$1,098,421 | 25% | \$274,605 |
| | Core | % Flex Requested | Flex Requested Amount | | | | | | | | | | |
| <i>Total Program Request</i> | \$1,098,421 | 10% | \$109,842 | | | | | | | | | | |
| | \$1,098,421 | 25% | \$274,605 | | | | | | | | | | |
| 2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount. | | | | | | | | | | | | | |
| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | | | | | | | | | | | | |
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | | | | | | | | | | | | |
| 3. Please explain how flexibility was used in the prior and/or current years. | | | | | | | | | | | | | |
| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE | | | | | | | | | | | | |
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. | | | | | | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--------------------------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| WOMEN & MINORITY OUTREACH | | | | | | | | |
| CORE | | | | | | | | |
| PROFESSIONAL SERVICES | 1,075,866 | 0.00 | 1,098,421 | 0.00 | 1,098,421 | 0.00 | 1,098,421 | 0.00 |
| TOTAL - EE | 1,075,866 | 0.00 | 1,098,421 | 0.00 | 1,098,421 | 0.00 | 1,098,421 | 0.00 |
| GRAND TOTAL | \$1,075,866 | 0.00 | \$1,098,421 | 0.00 | \$1,098,421 | 0.00 | \$1,098,421 | 0.00 |
| GENERAL REVENUE | \$529,741 | 0.00 | \$529,796 | 0.00 | \$529,796 | 0.00 | \$529,796 | 0.00 |
| FEDERAL FUNDS | \$546,125 | 0.00 | \$568,625 | 0.00 | \$568,625 | 0.00 | \$568,625 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.410

Program Name: Women and Minority Health Care Outreach

Program is found in the following core budget(s): Women and Minority Health Care Outreach

1. What does this program do?

The funding in this appropriation provides outreach services in St. Louis, Columbia, Jefferson City, Springfield, the Bootheel, and Kansas City regions targeted at, among other people, African-American men and women at risk of diabetes, cardiovascular disease, HIV/AIDS, sexually transmitted diseases (STDs), and other life-threatening health conditions. The outreach programs also provide needed client outreach and education about the MO HealthNet program.

This program was initiated in the fall of 1999 with five Federally-Qualified Health Centers (FQHCs) and has now expanded to twelve FQHCs in the St Louis, Kansas City, mid-Missouri, Southwest, and Bootheel regions. The outreach program builds on the strengths of the twelve FQHCs that are trusted, accessible sources of care for high-risk African-American populations, and the existence of leaders, often women within the community, to provide outreach and education in their neighborhoods to encourage routine screenings for diabetes and cardiovascular disease and testing for HIV/AIDS and STDs. In the Bootheel area, the outreach program builds on the strengths of a FQHC and county hospital using the Care-A-Van to reach at-risk persons in the largely rural area. Existing health promotion coalitions in the area, including the Bootheel's Heart Health Coalitions and the Missouri Health Alliance are also used in outreach efforts. As part of the outreach program, workers identify eligible participants and help them enroll in the MO HealthNet program.

The Department of Social Services has contracted with the Missouri Primary Care Association (MPCA) to act as a fiscal intermediary for the distribution of the Minority and Women's Health Outreach funding, ensuring accurate and timely payments to the subcontractors and to act as a central data collection point for evaluation of program impact, outcomes, and performance. The MPCA is reimbursed for allowable costs related to establishing and implementing outreach programs not to exceed the appropriation cap. The MPCA is recognized as Missouri's single primary care association by the federal Health Resource Service Administration. The goal of the MPCA is, in part, to partner in the development, maintenance and improvement of access to health care services, and to reduce disparities in health status between majority and minority populations.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.201; Federal law: Social Security Act Section 1903(a); Federal Regulations: 42 CFR, Part 433.15

3. Are there federal matching requirements? If yes, please explain.

General Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding

4. Is this a federally mandated program? If yes, please explain.

No.

PROGRAM DESCRIPTION

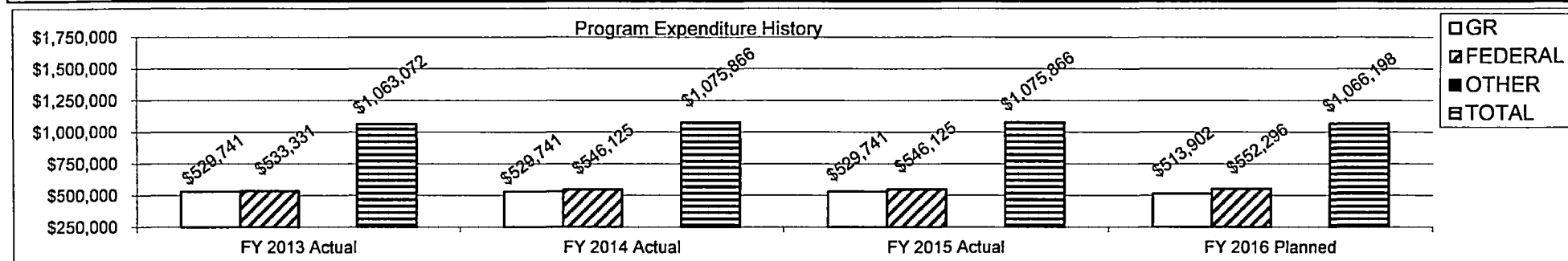
Department: Social Services

HB Section: 11.410

Program Name: Women and Minority Health Care Outreach

Program is found in the following core budget(s): Women and Minority Health Care Outreach

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2016 Planned is a net of reverted and reserves.

6. What are the sources of the "Other" funds?

N/A

7a. Provide an effectiveness measure.

N/A

7b. Provide an efficiency measure.

FQHCs and Regional Health Centers (RHCs) in underserved areas provide greater access to health care services for women and minorities and serve as outreach centers to assist individuals in applying for MO HealthNet services.

Number of Users of FQHCs and RHCs Primary Care

| SFY | Projected | Actual |
|------|-----------|---------|
| 2012 | 123,011 | 133,965 |
| 2013 | 121,000 | 137,290 |
| 2014 | 140,000 | 106,973 |
| 2015 | 120,000 | 135,010 |
| 2016 | 140,000 | |
| 2017 | 140,000 | |

Number of Users Receiving Assistance from FQHCs and RHCs in Applying for MO HealthNet

| SFY | Projected | Actual |
|------|-----------|--------|
| 2012 | 14,117 | 14,369 |
| 2013 | 15,000 | 13,645 |
| 2014 | 15,000 | 13,679 |
| 2015 | 15,000 | 13,670 |
| 2016 | 15,000 | |
| 2017 | 15,000 | |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.410

Program Name: Women and Minority Health Care Outreach

Program is found in the following core budget(s): Women and Minority Health Care Outreach

7c. Provide the number of clients/individuals served, if applicable.

N/A

7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|--------------------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| TPL CONTRACTS | | | | | | | | | |
| CORE | | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | | |
| DEPT OF SOC SERV FEDERAL & OTH | 2,705,182 | 0.00 | 3,000,000 | 0.00 | 3,000,000 | 0.00 | 3,000,000 | 0.00 | |
| THIRD PARTY LIABILITY COLLECT | 2,705,182 | 0.00 | 3,000,000 | 0.00 | 3,000,000 | 0.00 | 3,000,000 | 0.00 | |
| TOTAL - EE | 5,410,364 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 | |
| TOTAL | 5,410,364 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 | |
| GRAND TOTAL | \$5,410,364 | 0.00 | \$6,000,000 | 0.00 | \$6,000,000 | 0.00 | \$6,000,000 | 0.00 | |

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CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Third Party Liability (TPL) Contracts

Budget Unit: 90515C
HB Section: 11.415

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | |
|------------------------|----|-----------|-----------|-----------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | 3,000,000 | 3,000,000 | 6,000,000 |
| PSD | | | | |
| TRF | | | | |
| Total | | 3,000,000 | 3,000,000 | 6,000,000 |

FTE 0.00

| | | | | |
|-------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|-------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|----|-----------|-----------|-----------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | 3,000,000 | 3,000,000 | 6,000,000 |
| PSD | | | | |
| TRF | | | | |
| Total | | 3,000,000 | 3,000,000 | 6,000,000 |

FTE 0.00

| | | | | |
|-------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|-------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Third Party Liability Collections Fund (TPL) (0120)

Other Funds: Third Party Liability Collections Fund (TPL) (0120)

2. CORE DESCRIPTION

This core request is for the continued funding of contracted third party liability (TPL) recovery activities. TPL functions are performed by agency staff in the TPL Unit and by a contractor. This core appropriation is expense and equipment funding and is the source of payments to the contractor who works with the agency on TPL recovery activities.

3. PROGRAM LISTING (list programs included in this core funding)

Third Party Liability Contracts

CORE DECISION ITEM

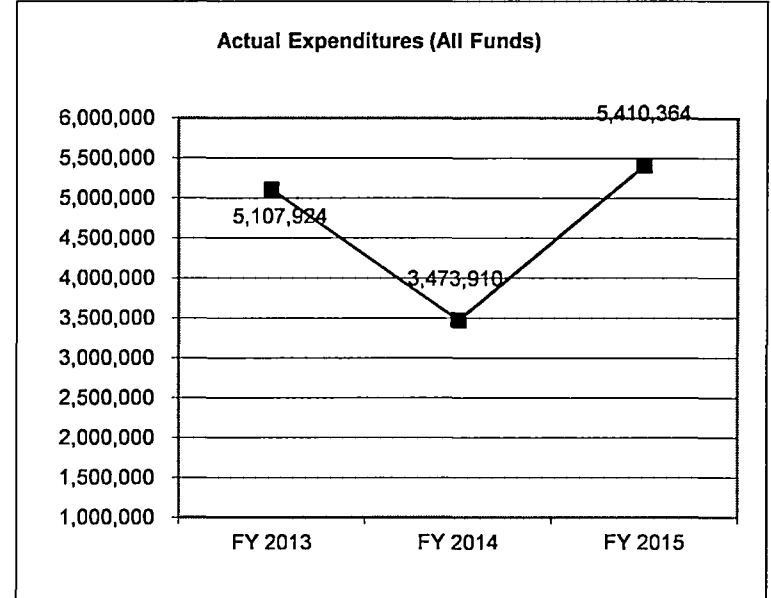
Department: Social Services
Division: MO HealthNet
Core: Third Party Liability (TPL) Contracts

Budget Unit: 90515C

HB Section: 11.415

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|
| Appropriation (All Funds) | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| Less Reverted (All Funds) | 0 | 0 | 0 | 0 |
| Less Restricted (All Funds) | 0 | 0 | 0 | 0 |
| Budget Authority (All Funds) | 6,000,000 | 6,000,000 | 6,000,000 | N/A |
| Actual Expenditures (All Funds) | 5,107,924 | 3,473,910 | 5,410,364 | N/A |
| Unexpended (All Funds) | 892,076 | 2,526,090 | 589,636 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 446,038 | 446,038 | 294,818 | N/A |
| Other | 446,038 | 446,038 | 294,818 | N/A |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES

TPL CONTRACTS

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|-----------------------------|-----------------|-------------|----------|------------------|------------------|------------------|-------------|
| TAFP AFTER VETOES | | | | | | | |
| | EE | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |
| | Total | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |
| DEPARTMENT CORE REQUEST | | | | | | | |
| | EE | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |
| | Total | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | |
| | EE | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |
| | Total | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------|-------------|---------|-------------|---------|-------------|----------|-------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| TPL CONTRACTS | | | | | | | | |
| CORE | | | | | | | | |
| PROFESSIONAL SERVICES | 5,410,364 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 |
| TOTAL - EE | 5,410,364 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 |
| GRAND TOTAL | \$5,410,364 | 0.00 | \$6,000,000 | 0.00 | \$6,000,000 | 0.00 | \$6,000,000 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$2,705,182 | 0.00 | \$3,000,000 | 0.00 | \$3,000,000 | 0.00 | \$3,000,000 | 0.00 |
| OTHER FUNDS | \$2,705,182 | 0.00 | \$3,000,000 | 0.00 | \$3,000,000 | 0.00 | \$3,000,000 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.415

Program Name: Third Party Liability (TPL) Contracts

Program is found in the following core budget(s): Third Party Liability (TPL) Contracts

1. What does this program do?

The Third Party Liability (TPL) program is responsible for cost recovery and cost avoidance of MO HealthNet expenditures. By identifying potentially liable third party sources, MO HealthNet is able to avoid paying costs for services provided or recover costs already incurred. The MO HealthNet program seeks recovery from third-party sources when liability at the time of service had not yet been determined; when the third-party source was not known at the time of MO HealthNet payment; and for services that are federally mandated to be paid and then pursued. TPL functions are performed by both agency staff in the TPL Unit and by a TPL contractor. The TPL contracts appropriation allows for payment to the contractor who works with the agency on TPL recovery and cost avoidance activities. The contractor is paid for its recovery services through a contingency contract rate for cash recoveries of 10% for the first \$10 million recovered and then 8% for any recoveries over \$10 million, which resets annually. There is also a per member per month (PMPM) rate of \$.165 for the cost avoidance services. The TPL program accounted for more than \$287.1 million in savings to the MO HealthNet program in FY 15 by cost avoiding claims and recovering MO HealthNet funds. Health plans in the MO HealthNet Managed Care program are responsible for the TPL activities related to plan enrollees.

Even though some responsibilities are shared, the TPL Unit and the contractor each perform specific cost saving and recovery activities. The TPL Unit concentrates on asserting liens on settlements of trauma-related incidents (which include personal injury, product liability, wrongful death, malpractice, workers' compensation, and traffic accidents). The TPL Unit also files claims for recovery of MO HealthNet expenditures in estate cases; Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) cases; on the personal funds accounts of deceased nursing home residents; and on any excess funds from irrevocable burial plans. For cost avoidance, the TPL Unit operates the Health Insurance Premium Payment (HIPP) program and maintains the TPL data base where participant insurance information is stored. The contractor focuses on bulk billings to insurance carriers and other third parties and data matches to identify potential third parties. The following list itemizes the activities performed by the contractor as compared to those performed by the TPL Unit staff and is followed by descriptions of the primary TPL programs.

Tasks performed by the Contractor:

- Health insurance billing and follow-up;
- Data matches and associated billing (Tricare, MCHCP, and other insurance carriers such as BCBS, United Healthcare and Aetna);
- Provide TPL information for state files;
- Post accounts receivable data to state A/R system; and
- Maintain insurance billing files.

The current contractor is Health Management Systems (HMS). The contractor is paid for services on a contingency basis for recovery activities and a PMPM basis for cost avoidance activities through a portion of cash recoveries. Estate recoveries are performed by the state. Historically, the contractor has been more successful in areas of recovery that the state is unable to pursue due to staff and computer system limitations, for instance, in health insurance recovery.

Tasks performed by the State TPL Staff:

- Liens, updates and follow-up on trauma cases;
- Identify and follow-up on all estate cases;
- Identify, file and follow-up on TEFRA liens;
- Identify and follow-up on personal funds cases;
- Recover any excess funds from irrevocable burial plans;

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.415

Program Name: Third Party Liability (TPL) Contracts

Program is found in the following core budget(s): Third Party Liability (TPL) Contracts

- Operate HIPP program;
- Post recoveries to accounts receivable systems;
- Maintain state TPL databases;
- Verify leads through MMIS contract; and
- Contract oversight.

HIPP Program - The objective of the Health Insurance Premium Payment program (HIPP) is to identify and pay for employer-sponsored insurance policies for MO HealthNet participants to maximize MO HealthNet monies by shifting medical costs to private insurers and exhausting all third party resources before utilizing MO HealthNet.

Trauma Settlement Recovery - The objective is to identify potentially liable third parties and to assert liens on litigation settlements to ensure maximum recovery of MO HealthNet expenditures. Each identification is researched to determine if pursuit is cost effective or even possible.

Personal Funds Recovery - The objective of this program is to identify personal funds account balances of deceased MO HealthNet participants who lived in nursing facilities and recover MO HealthNet expenditures made on behalf of those participants. Nursing facilities are required to pay MO HealthNet within sixty (60) days from the date of death (Section 198.090(7), RSMo).

Burial Plans Recovery - The objective of this program is to recover MO HealthNet expenditures from any excess funds from irrevocable burial plans. Burial lots and irrevocable burial contracts are exempt from consideration in determining MO HealthNet eligibility (Section 208.010, RSMo). The law also provides that if there are excess funds from irrevocable burial plans, the state should recover the excess up to the amount of public assistance benefits provided to the participant.

Estate Recovery - In this program, expenditures are recovered through identification and filing of claims on estates of deceased MO HealthNet participants. Data matches are coordinated with the Department of Health and Senior Services' Vital Statistics, Family Support Division's county offices' staff and cooperation of other public and private groups. When cases are established, staff verify expenditure documentation and assemble data for evidence. The TPL staff appear in court to testify on behalf of the state and explain MO HealthNet policies and procedures.

TEFRA Liens - The Tax Equity and Fiscal Responsibility Act of 1982 authorizes the MO HealthNet program to file a lien as a claim against the real property of certain MO HealthNet participants. The TEFRA lien is for the debt due to the state for medical assistance paid or to be paid on behalf of MO HealthNet.

| |
|--|
| 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.) |
|--|

State: RSMo. 198.090, 208.010, 208.153, 208.215, 473.398, 473.399 and 13 CSR 70-4.120. Federal law: Social Security Act, Section 1902, 1903, 1906, 1912, 1917; Federal regulation: 42 CFR 433 Subpart D.

| |
|--|
| 3. Are there federal matching requirements? If yes, please explain. |
|--|

General Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.415

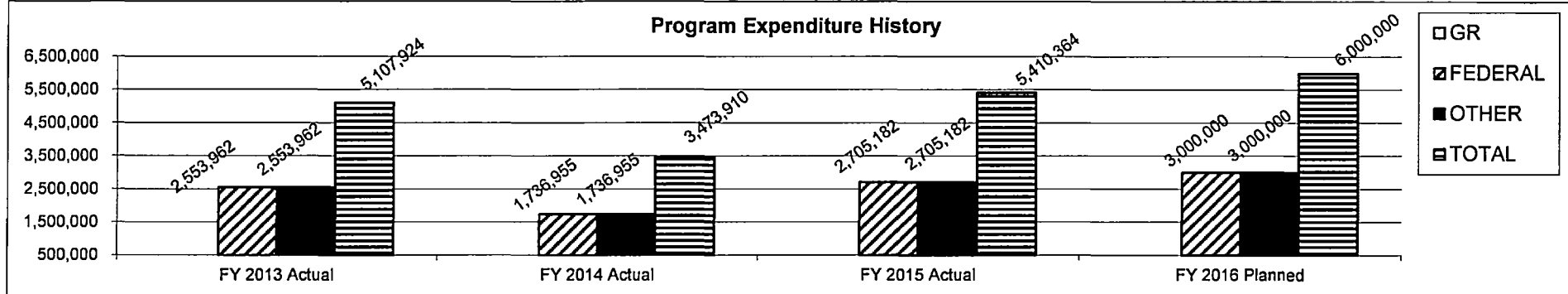
Program Name: Third Party Liability (TPL) Contracts

Program is found in the following core budget(s): Third Party Liability (TPL) Contracts

4. Is this a federally mandated program? If yes, please explain.

Yes, if cost effective. In order to not pursue a TPL claim, the agency must obtain a waiver from CMS by proving that a cost recovery effort is not cost effective.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

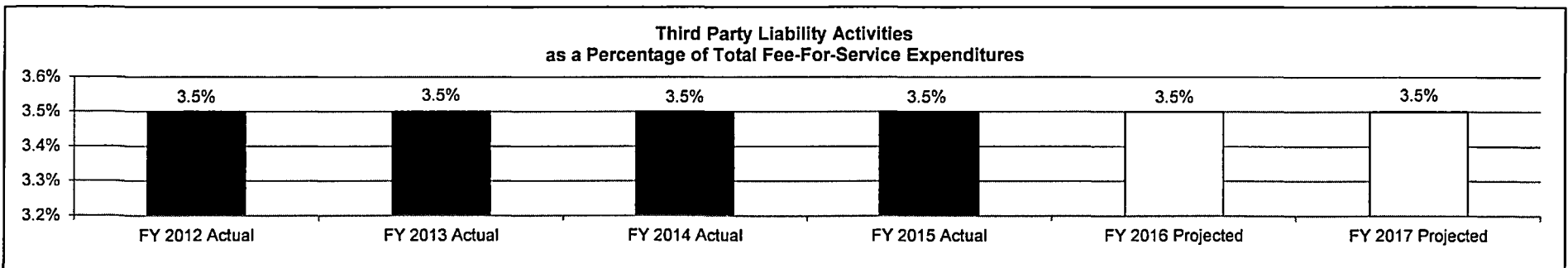


6. What are the sources of the "Other" funds?

Third Party Liability Collections Fund (0120)

7a. Provide an effectiveness measure.

Third Party Liability (TPL) activities within the MO HealthNet Program ensure that liable third-party resources are being utilized as a primary source of payment in lieu of General Revenue. In state fiscal year 20154, TPL activities, including cost avoidance and cash recovery activities, saved 3.5% of total fee-for-service expenditures.



PROGRAM DESCRIPTION

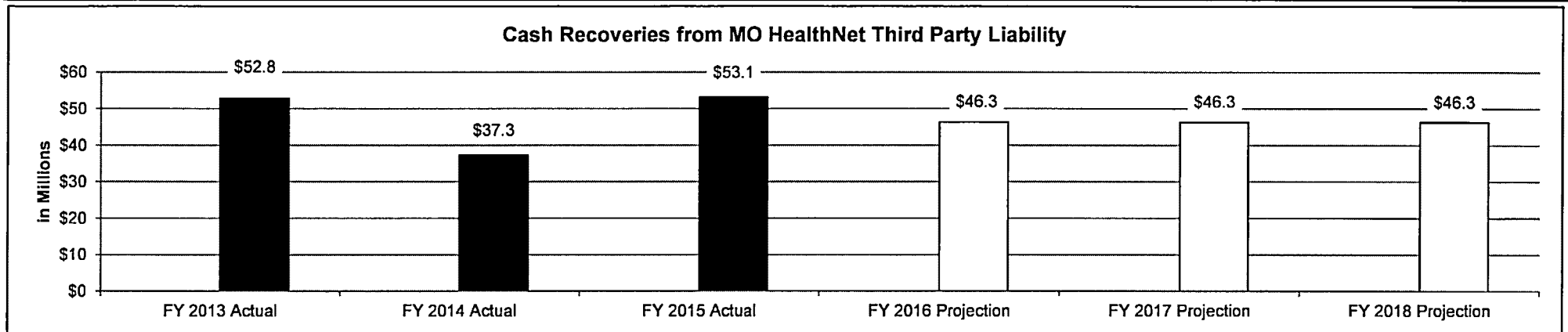
Department: Social Services

HB Section: 11.415

Program Name: Third Party Liability (TPL) Contracts

Program is found in the following core budget(s): Third Party Liability (TPL) Contracts

7b. Provide an efficiency measure.



NOTE: Cash recoveries decreased in FY14 due to changes in how the contractor was posting accounts receivables. FY15 recoveries appear significantly higher than the prior year because there was increased focus on closing accounts receivables posted in FY14 and additional outstanding checks.

Cash Recoveries by Contractor

| SFY | Projected | Actual |
|------|------------|------------|
| 2013 | \$30.0 mil | \$30.9 mil |
| 2014 | \$34.0 mil | \$15.2 mil |
| 2015 | \$25.0 mil | \$32.3 mil |
| 2016 | \$25.0 mil | |
| 2017 | \$25.0 mil | |
| 2018 | \$25.0 mil | |

Cash Recoveries by MHD Staff

| SFY | Projected | Actual |
|------|------------|------------|
| 2013 | \$22.5 mil | \$21.9 mil |
| 2014 | \$22.0 mil | \$22.1 mil |
| 2015 | \$21.3 mil | \$20.7 mil |
| 2016 | \$16.5 mil | |
| 2017 | \$16.5 mil | |
| 2018 | \$16.5 mil | |

MHD is enhancing efforts to obtain timely health insurance carrier information on a proactive basis for MO HealthNet participants to ensure that third party resources are utilized as a primary source of payment in lieu of taxpayer dollars. MHD contracts with a vendor to perform health insurance recoveries and cost avoidance activities. As MHD shifts its focus to cost avoidance, the trend for health insurance cash recoveries will even out or eventually reflect a decrease.

Several developments over the last few years have impacted the collection of cash recoveries. Medicare providers are performing on-line adjustments rather than submitting reimbursement by check. Cash recoveries for the Estate Program have decreased due to the expanded definition of "estate" not being in statute; a court decision regarding spousal recovery; and the elimination of recovering Medicare Part B premiums on or after the date of January 1, 2010. Trauma and casualty tort recoveries have decreased as a result of the Ahlborn class action decision in 2006.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.415

Program Name: Third Party Liability (TPL) Contracts

Program is found in the following core budget(s): Third Party Liability (TPL) Contracts

7c. Provide the number of clients/individuals served, if applicable.

N/A

7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | |
|---|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| INFORMATION SYSTEMS | | | | | | | | |
| CORE | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 5,542,522 | 0.00 | 6,538,940 | 0.00 | 6,538,940 | 0.00 | 6,538,940 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 33,559,924 | 0.00 | 44,580,170 | 0.00 | 44,580,170 | 0.00 | 44,580,170 | 0.00 |
| UNCOMPENSATED CARE FUND | 430,000 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| HEALTH INITIATIVES | 1,543,936 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| TOTAL - EE | 41,076,382 | 0.00 | 51,119,110 | 0.00 | 51,119,110 | 0.00 | 51,119,110 | 0.00 |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 847,343 | 0.00 | 847,343 | 0.00 | 847,343 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 10,820,180 | 0.00 | 10,820,180 | 0.00 | 10,820,180 | 0.00 |
| UNCOMPENSATED CARE FUND | 0 | 0.00 | 430,000 | 0.00 | 430,000 | 0.00 | 430,000 | 0.00 |
| HEALTH INITIATIVES | 0 | 0.00 | 1,591,687 | 0.00 | 1,591,687 | 0.00 | 1,591,687 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 13,689,210 | 0.00 | 13,689,210 | 0.00 | 13,689,210 | 0.00 |
| TOTAL | 41,076,382 | 0.00 | 64,808,320 | 0.00 | 64,808,320 | 0.00 | 64,808,320 | 0.00 |
| Sustaining MMIS Infrastructure - 1886014 | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 4,250,000 | 0.00 | 4,250,000 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 12,750,000 | 0.00 | 12,750,000 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 17,000,000 | 0.00 | 17,000,000 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 17,000,000 | 0.00 | 17,000,000 | 0.00 |
| GRAND TOTAL | \$41,076,382 | 0.00 | \$64,808,320 | 0.00 | \$81,808,320 | 0.00 | \$81,808,320 | 0.00 |

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CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Information Systems

Budget Unit: 90522C

HB Section: 11.420

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | |
|------------------------|------------------|-------------------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | 6,538,940 | 44,580,170 | | 51,119,110 |
| PSD | 847,343 | 10,820,180 | 2,021,687 | 13,689,210 |
| TRF | | | | |
| Total | 7,386,283 | 55,400,350 | 2,021,687 | 64,808,320 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Uncompensated Care Fund (0108)
Health Initiatives Fund (0275)

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|------------------|-------------------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | 6,538,940 | 44,580,170 | | 51,119,110 |
| PSD | 847,343 | 10,820,180 | 2,021,687 | 13,689,210 |
| TRF | | | | |
| Total | 7,386,283 | 55,400,350 | 2,021,687 | 64,808,320 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Uncompensated Care Fund (0108)
Health Initiatives Fund (0275)

2. CORE DESCRIPTION

This core request is for the continued funding of MO HealthNet's Information Systems (IS). Core funding is used to pay for the Medicaid Management Information Systems (MMIS) contract. The MMIS contractor processes fee-for-service claims, managed care encounter data and provides enrollment broker services. Managed care encounter data is processed through the system similar to FFS claims. The data is used by the Managed Care Unit for contract administration and rate setting purposes.

3. PROGRAM LISTING (list programs included in this core funding)

Information Systems

CORE DECISION ITEM

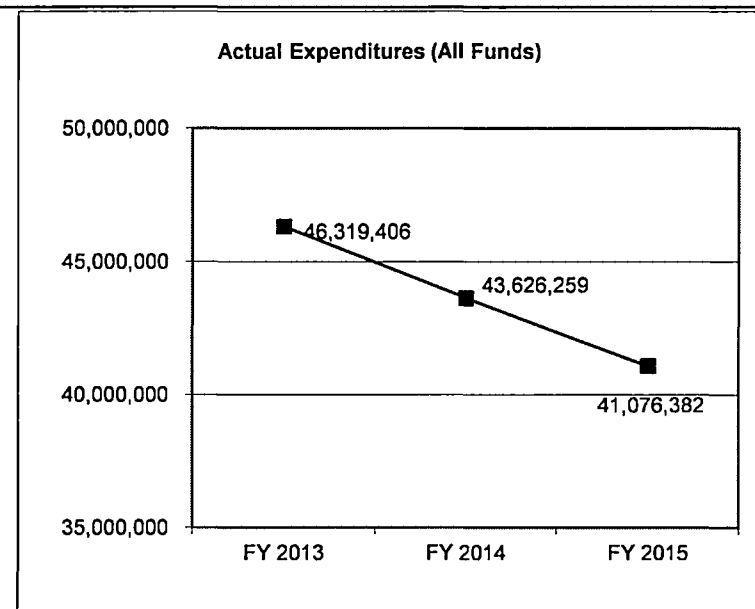
Department: Social Services
Division: MO HealthNet
Core: Information Systems

Budget Unit: 90522C

HB Section: 11.420

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|
| Appropriation (All Funds) | 52,919,110 | 46,435,977 | 51,435,977 | 64,808,320 |
| Less Reverted (All Funds) | (190,618) | (192,919) | (219,169) | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 37,573,942 | 46,243,058 | 51,216,808 | N/A |
| Actual Expenditures (All Funds) | 46,319,406 | 43,626,259 | 41,076,382 | N/A |
| Unexpended (All Funds) | 6,409,084 | 2,616,799 | 10,140,426 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 6,371,200 | 2,582,618 | 10,140,426 | N/A |
| Other | 37,885 | 34,181 | 0 | N/A |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES

INFORMATION SYSTEMS

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|-----------------------------|-----------------|-------------|------------------|-------------------|------------------|-------------------|-------------|
| <hr/> | | | | | | | |
| TAFP AFTER VETOES | | | | | | | |
| | EE | 0.00 | 6,538,940 | 44,580,170 | 0 | 51,119,110 | |
| | PD | 0.00 | 847,343 | 10,820,180 | 2,021,687 | 13,689,210 | |
| | Total | 0.00 | 7,386,283 | 55,400,350 | 2,021,687 | 64,808,320 | |
| <hr/> | | | | | | | |
| DEPARTMENT CORE REQUEST | | | | | | | |
| | EE | 0.00 | 6,538,940 | 44,580,170 | 0 | 51,119,110 | |
| | PD | 0.00 | 847,343 | 10,820,180 | 2,021,687 | 13,689,210 | |
| | Total | 0.00 | 7,386,283 | 55,400,350 | 2,021,687 | 64,808,320 | |
| <hr/> | | | | | | | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | |
| | EE | 0.00 | 6,538,940 | 44,580,170 | 0 | 51,119,110 | |
| | PD | 0.00 | 847,343 | 10,820,180 | 2,021,687 | 13,689,210 | |
| | Total | 0.00 | 7,386,283 | 55,400,350 | 2,021,687 | 64,808,320 | |
| <hr/> | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| INFORMATION SYSTEMS | | | | | | | | |
| CORE | | | | | | | | |
| COMMUNICATION SERV & SUPP | 0 | 0.00 | 898 | 0.00 | 898 | 0.00 | 898 | 0.00 |
| PROFESSIONAL SERVICES | 41,076,382 | 0.00 | 51,118,212 | 0.00 | 51,118,212 | 0.00 | 51,118,212 | 0.00 |
| TOTAL - EE | 41,076,382 | 0.00 | 51,119,110 | 0.00 | 51,119,110 | 0.00 | 51,119,110 | 0.00 |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 13,689,210 | 0.00 | 13,689,210 | 0.00 | 13,689,210 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 13,689,210 | 0.00 | 13,689,210 | 0.00 | 13,689,210 | 0.00 |
| GRAND TOTAL | \$41,076,382 | 0.00 | \$64,808,320 | 0.00 | \$64,808,320 | 0.00 | \$64,808,320 | 0.00 |
| GENERAL REVENUE | \$5,542,522 | 0.00 | \$7,386,283 | 0.00 | \$7,386,283 | 0.00 | \$7,386,283 | 0.00 |
| FEDERAL FUNDS | \$33,559,924 | 0.00 | \$55,400,350 | 0.00 | \$55,400,350 | 0.00 | \$55,400,350 | 0.00 |
| OTHER FUNDS | \$1,973,936 | 0.00 | \$2,021,687 | 0.00 | \$2,021,687 | 0.00 | \$2,021,687 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.420

Program Name: Information Systems

Program is found in the following core budget(s): Information Systems

1. What does this program do?

The Information Systems (IS) program area includes the contract for the Medicaid Management Information System (MMIS) which is the platform which supports the entire MO HealthNet program. The primary function of Information Systems (IS) is to provide the tools and data needed to support administrative and financial decisions and to process fee-for-service claims and MO HealthNet managed care encounter data. IS focuses on the gathering, maintenance, analysis, output, and security of information and data related to claims and a multitude of claims-related interfaces. It is also responsible for providing the software and hardware support needed to measure, analyze, assess and manipulate this information in the process of decision making, formulating and testing new systems.

The state contracts with a private entity to operate the subsystems of the MMIS. The subsystems include claims processing, management and analysis reporting, surveillance and utilization, reference, provider claim data, participant encounter data, third party liability and financial. In order to maintain quality management of MO HealthNet claims, the MO HealthNet Division requires the fiscal agent to:

- Maintain and enhance a highly automated MO HealthNet claims processing and information retrieval system.
- Process MO HealthNet claims involving over 49,000 providers of 58 different types, such as hospitals, physicians, dentists, ambulance service providers, nursing homes, therapists, hospices, and managed care health plans.
- Perform manual tasks associated with processing MO HealthNet claims, and to retrieve and produce utilization and management information that is required by the Division and/or various agencies within the federal government. For example, semi-annual utilization reports are generated for the Program Integrity Unit to allow staff to detect and investigate over-utilization patterns and abuse. Third party liability (TPL) reports are produced that allow tracking of cost avoidance on claims and provide the capability to perform cost recovery functions.
- Provide capabilities and/or communications with the Department and the Division via on-line data links to facilitate transfers of data and monitoring of contract issues using menu driven reports and communications via electronic mail.
- Provide technical support to managed care health plans in the maintenance of data lines and the transfer of daily enrollment files and encounter data.

The MMIS is run on a mainframe computer system. There are approximately 35 programmers employed by the fiscal agent to maintain this system. The Interactive Voice Response (IVR) has the availability of approximately 70 incoming lines. The IVR hardware and software allows immediate access to eligibility, payment and claim status information.

The Imaging System allows document storage and retrieval along with a report repository. The fiscal agent supports a web application (www.emomed.com) that supports various provider functions such as claims data entry, send and receive files, electronic remittance advice along with real-time inquiries of claims, attachments, prior authorizations, eligibility and payment status.

The state began contracting out the MMIS in 1979. The latest MMIS contract began in FY2008 and was awarded to Infocrossing, Inc (now WIPRO). It consists of one year for takeover and transition, six years for operations, and is renewable for three one-year extensions. The MMIS contract includes seventeen (17) major enhancements, most of which have been implemented. The highlights of this re-engineering included a new relational database, a rules engine, and browser-based functionality.

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Information Systems

HB Section: 11.420

Program is found in the following core budget(s): Information Systems

Claims Processing: Claims processing changes with the two programs, the fee-for-service program versus MO HealthNet managed care. Under the fee-for-service program, claims are processed for payment to the provider. Services under MO HealthNet managed care, which are covered by the capitation payment, do not generate a claim. Whomever provides the service is reimbursed by a health plan. The service still results in involvement by IS through the processing of encounter claims. An encounter claim is the same as a regular claim in terms of the information processed such as patient identification, diagnosis and the service(s) provided; however, it is not subject to payment. The federal government requires that encounter claims be submitted to the state agency. Encounter claims are transmitted by health plans to the fiscal agent where they are processed and the data is stored.

Managed Care Impact: MO HealthNet managed care increases the demand on Information Systems because of the need to interface with numerous different data processing systems. The MMIS system "talks" to the systems run by each of the three individual health plans that contract with the state for Managed Care. Success of the Managed Care program is dependent on data analysis. The agency needs encounter data from the health plans in order to set rates and see what services are being provided to agency clients, otherwise on-site audits of thousands of providers would be required. Resolving encounter data and other system problems with individual health plans is staff intensive.

Average claims processing time continues to decrease due to increased electronic claims processing and system improvements from 3.03 days in FY95 to .41 days in FY15.

Enrollment Broker: The enrollment broker is responsible for assisting MO HealthNet participants receiving health care benefits through a managed care arrangement in plan enrollment. Beginning September 1, 2014, the enrollment broker function transitioned to a new contract. The contractor is responsible for assisting 1) Missourians with the Medicaid application when the individual is applying online through the new eligibility and enrollment system; and 2) with managed care enrollment processes should the participant receive benefits through managed care. The intent is to streamline processes so that individuals can apply for Medicaid benefits, and if eligible, complete the managed care enrollment process at the same time. This ensures that Medicaid participants receive the appropriate level of care as expeditiously as possible. Once an individual is eligible for Medicaid benefits, only inquiries received on managed care enrollment will continue to be handled through the Contact Center. Other questions, correspondence or communication will be handled through the current call center or by FSD offices.

Emerging Issues: ICD-10: The ICD-10 code sets will replace the ICD-9 code sets currently used throughout the healthcare industry as diagnosis and inpatient hospital procedure codes. The ICD-10 code sets expand significantly on the existing ICD-9 code sets by adding thousands of new codes and by allowing for the encoding of a significant amount of additional data regarding a diagnosis and an inpatient procedure. The Centers for Medicare and Medicaid Services (CMS) issued a rule requiring all state Medicaid programs and their healthcare service providers to implement ICD-10 code sets by October 1, 2015. MHD implemented these codes sets within the MMIS in October 2013 for purposes of testing with providers. **CORE Operating Rules:** The Patient Protection and Affordable Care Act requires the implementation of operating rules related to the exchange of information with and provision of payment to healthcare service providers.

MMIS Reprocurement: The initial contract period with Wipro Infocrossing, Inc. for the operation of the primary Missouri Medicaid Management Information System (MMIS) and Medicaid call centers ended on June 30, 2014 with options to renew annually for up to three additional years (through June 30, 2017). MHD has executed a two-year renewal with Wipro Infocrossing, Inc. The initial contract period with Xerox, Inc. for the operation of the Clinical Management System for Pharmacy Claims and Prior Authorization (CMSP) ended on June 30, 2012 with options to renew annually for up to six additional years (through June 30, 2018). MHD has renewed the contract with Xerox through June 30, 2016. Due to the complexity and potential cost of these contracts, MHD contracted for an independent review of the renewal options available to Missouri for provisions of aforementioned services. MHD has completed a Medicaid Information Technology Architecture (MITA) assessment as required by CMS and developed a recommended MMIS strategy. MHD has contracted with CSG Government Solutions to conduct an analysis of the current system and MHD business needs and assist with the MMIS reprocurement. It is estimated that implementation of a replacement system would take three to five years.

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Information Systems
Program is found in the following core budget(s): Information Systems

HB Section: 11.420

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.166 and 208.201; Federal law: Social Security Act Section 1902(a)(4), 1903(a)(3) and 1915(b); Federal Regulation 42 CFR 433(C) and 438; Children's Health Insurance Program State Plan Amendment.

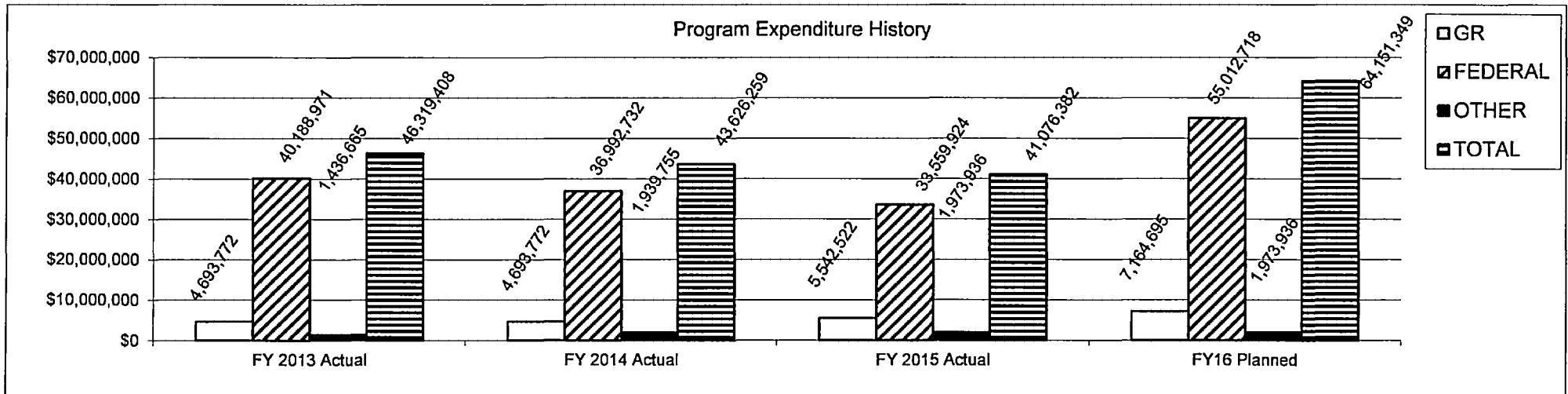
3. Are there federal matching requirements? If yes, please explain.

Expenditures for MMIS operations have three different federal financial participation (FFP) rates. The majority of MMIS expenditures earn 75% FFP and require 25% state share. Functions earning 75% include MMIS base operations and call center operations. Approved system enhancements earn 90% FFP and require 10% state share. Enrollment broker services, postage and General Medicaid administrative expenditures earn 50% FFP and requires 50% state share.

4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902(a)(4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2016 is net of reverted and reserves.

PROGRAM DESCRIPTION

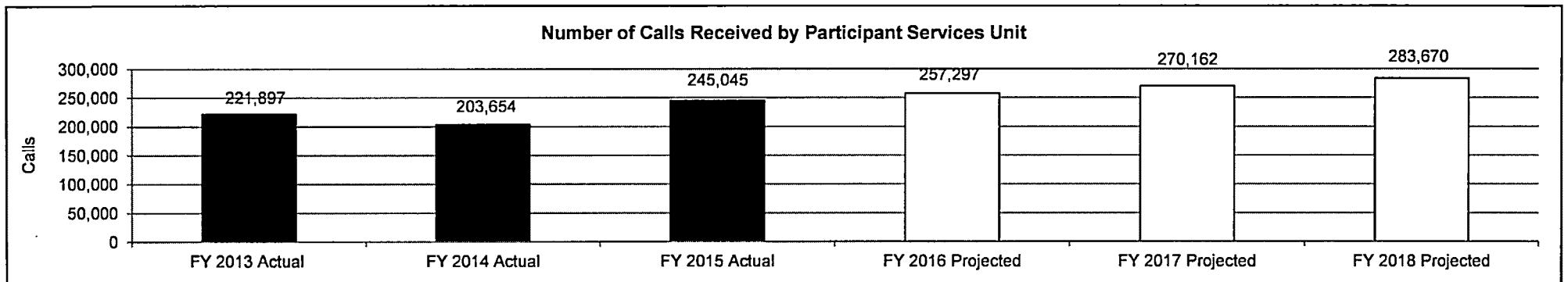
Department: Social Services
Program Name: Information Systems
Program is found in the following core budget(s): Information Systems

HB Section: 11.420

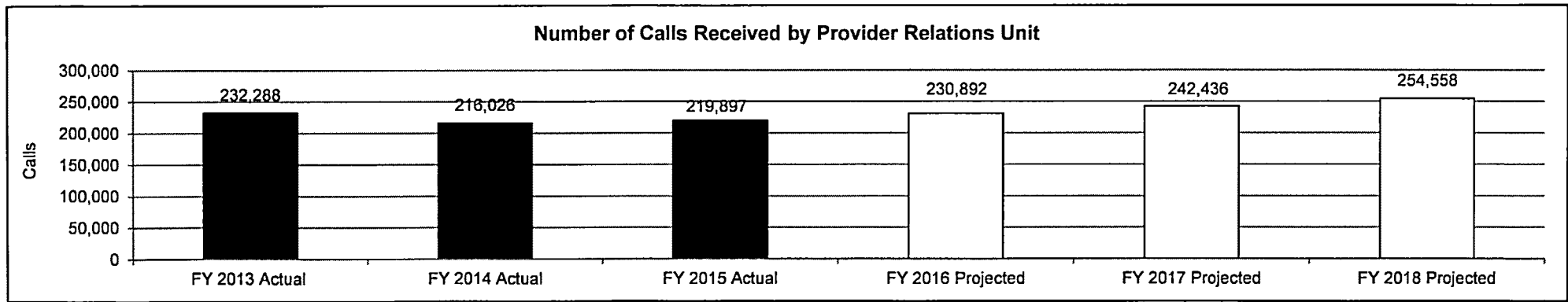
6. What are the sources of the "Other" funds?

Healthcare Technology Fund (0170) -FY 2013
Health Initiatives Fund (0275) - FY 2013 -2015
Uncompensated Care Fund (0108)- FY 2014-2015

7a. Provide an effectiveness measure.



Effectiveness Measure: Provide support for participants and providers. Last year the Participant Services Unit received and responded to 245,045 calls from participants. The Provider Relations Unit received and responded to 219,897 calls in SFY 2015.



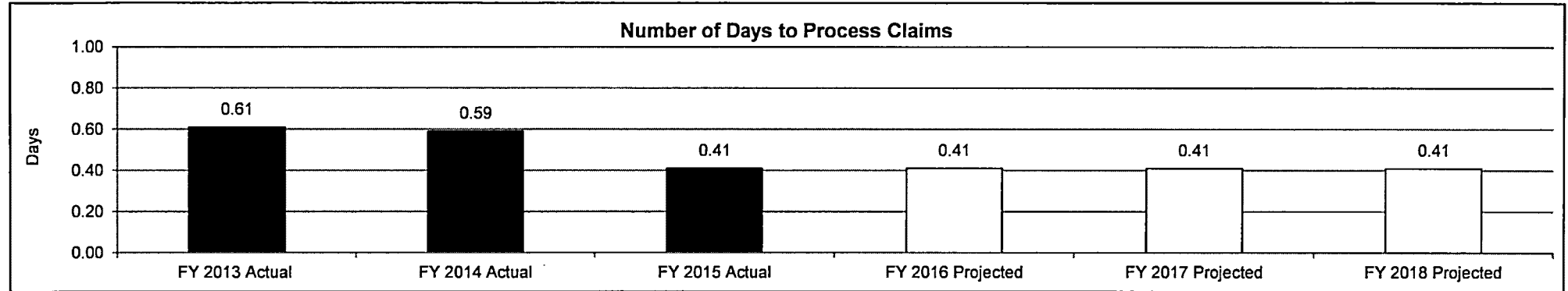
PROGRAM DESCRIPTION

Department: Social Services
Program Name: Information Systems
Program is found in the following core budget(s): Information Systems

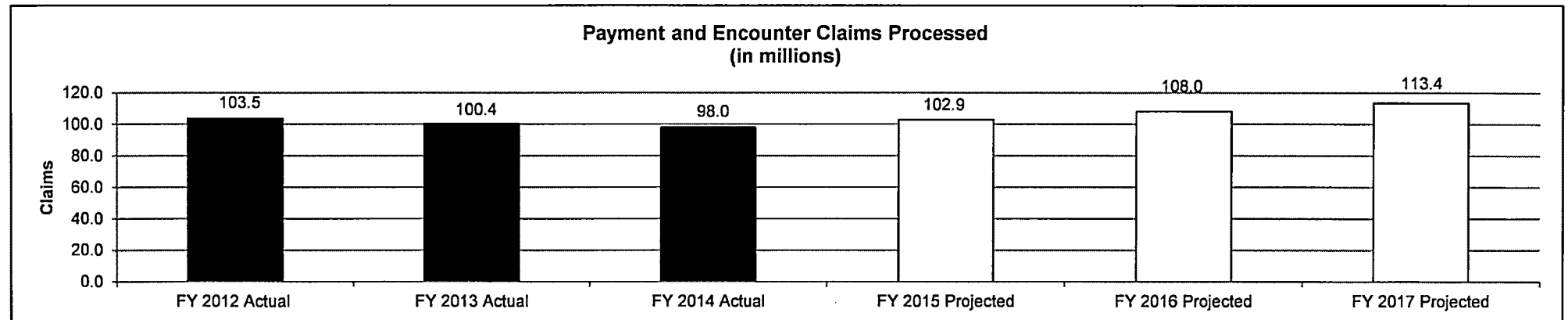
HB Section: 11.420

7b. Provide an efficiency measure.

Efficiency Measure: Promptly process "clean" claims in less than one day. For the past three fiscal years, claims passing system edits have been processed in less than one day. Processed claims are paid twice a month. In SFY 2015, over 98 million claims were processed.



7c. Provide the number of clients/individuals served, if applicable.



7d. Provide a customer satisfaction measure, if available.

N/A

NEW DECISION ITEM
RANK: 14 OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: Sustaining MO HealthNet Technology Infrastructure

Budget Unit: 90522C
DI#: 1886015

1. AMOUNT OF REQUEST

| FY 2017 Budget Request | | | | |
|------------------------|------------------|-------------------|----------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 4,250,000 | 12,750,000 | 0 | 17,000,000 |
| PSD | 0 | 0 | 0 | 0 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 4,250,000 | 12,750,000 | 0 | 17,000,000 |

FTE

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|------------------|-------------------|----------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 4,250,000 | 12,750,000 | 0 | 17,000,000 |
| PSD | 0 | 0 | 0 | 0 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 4,250,000 | 12,750,000 | 0 | 17,000,000 |

FTE

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|---|--|--|
| <input checked="" type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input type="checkbox"/> Other: | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding is requested to meet federal requirements for Medicaid systems and to maximize MO HealthNet's use of technology to manage a health care payment and delivery system for over 950,000 MO HealthNet enrollees.

Funding is requested to begin the reprocurement process for services provided under the MMIS and Clinical Management System for Pharmacy Claims and Prior Authorization (CMSP). Initial funding will support an analysis of the current system and options on how the state may proceed with the reprocurement process.

RANK: **NEW DECISION ITEM**
14 **OF:** **29**

Department: Social Services
Division: MO HealthNet
DI Name: Sustaining MO HealthNet Technology Infrastructure

Budget Unit: 90522C
DI#: 1886015

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

MMIS Reprourement

The contract with Wipro Infocrossing, Inc. as the MO HealthNet fiscal agent and for the operation of the primary Missouri Medicaid Management Information System (MMIS) and Medicaid call centers expired on June 30, 2014 with options to renew annually for up to three additional years through June 30, 2017. The contract with Xerox Heritage, Inc. for the operation of the Clinical Management System for Pharmacy Claims and Prior Authorization (CMSP) expired on June 30, 2012 with options to renew annually for up to six additional years through June 30, 2018. State and federal laws require the reprourement of these contracts. Given the length of time required to select a renewal option and to exercise the selected option, the reprourement effort must be initiated several years prior to the end of the contract period and the available contract renewal periods.

During FY14, MO HealthNet worked with an independent contractor to complete an assessment of the current Medicaid information technology architecture and develop a long-term MMIS strategy and roadmap to guide the MMIS reprourement. The Missouri MMIS is a legacy system with components dating back to the 1980s, but has had several enhancements using today's technologies. CMS has issued guidance requiring all MMIS systems qualifying for enhanced federal funding to meet standards reflective of modern technologies and architectures. The Missouri MMIS in its current form meets some but not all of the federal standards required for enhanced federal funding.

Several MMIS strategy options were evaluated including enhancement of the current MMIS with new technologies and a total system replacement. MO HealthNet has started the procurement process by requesting information from vendors regarding available solutions. Due to the size, complexity, and cost of MMIS solutions and the federal MMIS procurement processes, an MMIS procurement is a multi-year process and requires assistance from an independent contractor with MMIS procurement expertise.

During FY17, MO HealthNet will continue to work with an independent contractor to gather information, define requirements, and develop the Requests for Proposal (RFP). The current plan is to complete the procurement for maintenance and operation of the existing MMIS and CMSP systems and fiscal agent services during FY17 with potential transition of the systems to new vendors. A separate RFP will be issued during FY18 for purchase of a replacement MMIS solution. MMIS replacement projects typically require three to five years during which existing systems are maintained until the transition to the replacement system is completed.

NEW DECISION ITEM
RANK: 14 OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: Sustaining MO HealthNet Technology Infrastructure

Budget Unit: 90522C
DI#: 1886015

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

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RANK: 14 **NEW DECISION ITEM** **OF:** 29

Department: Social Services
Division: MO HealthNet
DI Name: Sustaining MO HealthNet Technology Infrastructure

Budget Unit: 90522C
DI#: 1886015

Business Intelligence Solutions and Enterprise Data Warehouse

The MMIS procurement offers an opportunity for MO HealthNet to develop a comprehensive, scalable, and secure health care information system to support the decision support, reporting, and analytics needs of the Missouri Medicaid Enterprise (MME) for the next decade. This would include developing and implementing a consolidated solution to replace the existing distributed decision support systems and data warehouses that would offer the following opportunities:

- 1) Reduce the overall cost of the decision support and analytics business functions.
- 2) Provide business users with Business Intelligence (BI) tools that are powerful, intuitive, and simple to use that have the ability to store, mine, analyze, aggregate, and visualize, large, complex structured, semi-structured, and/or unstructured data from multiple data sources with the objectives of providing answers to queries, creating summarized data, identifying trends, predicting future behavior, and following industry standards.
- 3) Create a more robust data warehouse containing data from multiple data sources both internal to and external from the MME, including MMIS claims data, Health Information Network (HIN) clinical data, and Medicaid eligibility data.
- 4) Simplify the use of the BI for end users through adoption of complimentary reporting and analytics tools and centralization of the tool support.
- 5) Provide a modern, scalable, adaptable, and customizable technical architecture and information framework.

MO HealthNet anticipates a BI solution that takes advantage of these opportunities will be a valuable tool in improving case management, care

Information Systems:

MMIS Reprocurement
 CMSP Reprocurement
 Data Warehouse-Operations
 Data Warehouse-Design, Development, Implementation
Total

| Total | GR | Federal |
|---------------------|--------------------|---------------------|
| \$5,000,000 | \$1,250,000 | \$3,750,000 |
| \$4,000,000 | \$1,000,000 | \$3,000,000 |
| \$6,500,000 | \$1,625,000 | \$4,875,000 |
| \$1,500,000 | \$375,000 | \$1,125,000 |
| \$17,000,000 | \$4,250,000 | \$12,750,000 |

**The Governor recommended as requested.*

NEW DECISION ITEM

RANK:

14

OF:

29

Department: Social Services

Budget Unit: 90522C

Division: MO HealthNet

DI Name: Sustaining MO HealthNet Technology Infrastructure

DI#: 1886015

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
|-------------------------------|------------------------|--------------------|-------------------------|---------------------|------------------------------|--------------------------|------------------------------|--------------------------|---------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 4,250,000 | | 12,750,000 | | 0 | | 17,000,000 | | 0 |
| | 4,250,000 | | 12,750,000 | | 0 | | 17,000,000 | | 0 |
| Program Distributions | | | | | 0 | | | | |
| Total PSD | 0 | | 0 | | 0 | | 0 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 4,250,000 | 0.0 | 12,750,000 | 0.0 | 0 | 0.0 | 17,000,000 | 0.0 | 0 |

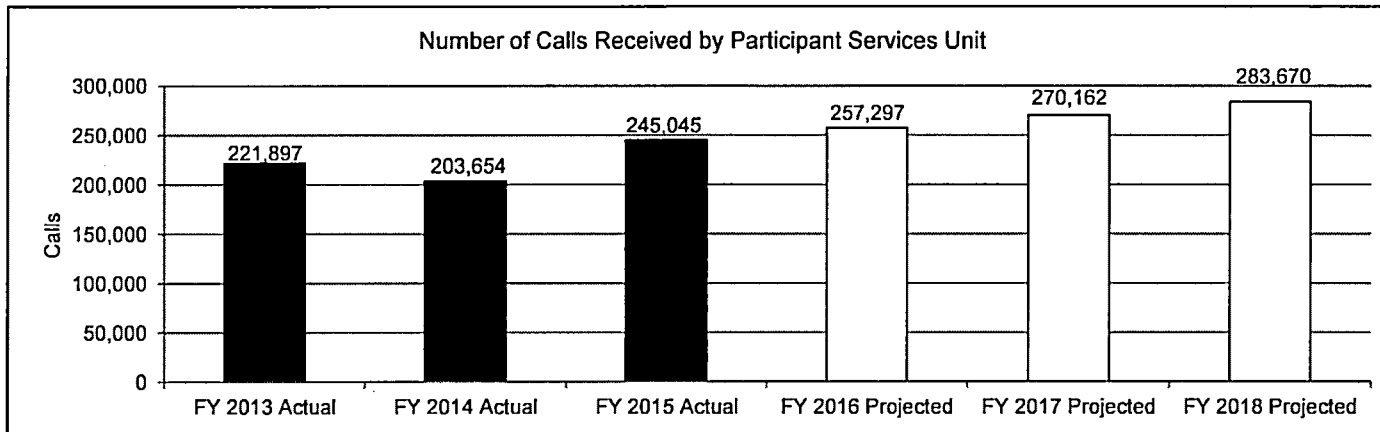
5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|-----------------------|-------------------|------------------------|--------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|--------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 4,250,000 | | 12,750,000 | | | | 17,000,000 | | |
| Total PSD | 4,250,000 | | 12,750,000 | | 0 | | 17,000,000 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 4,250,000 | 0.0 | 12,750,000 | 0.0 | 0 | 0.0 | 17,000,000 | 0.0 | 0 |

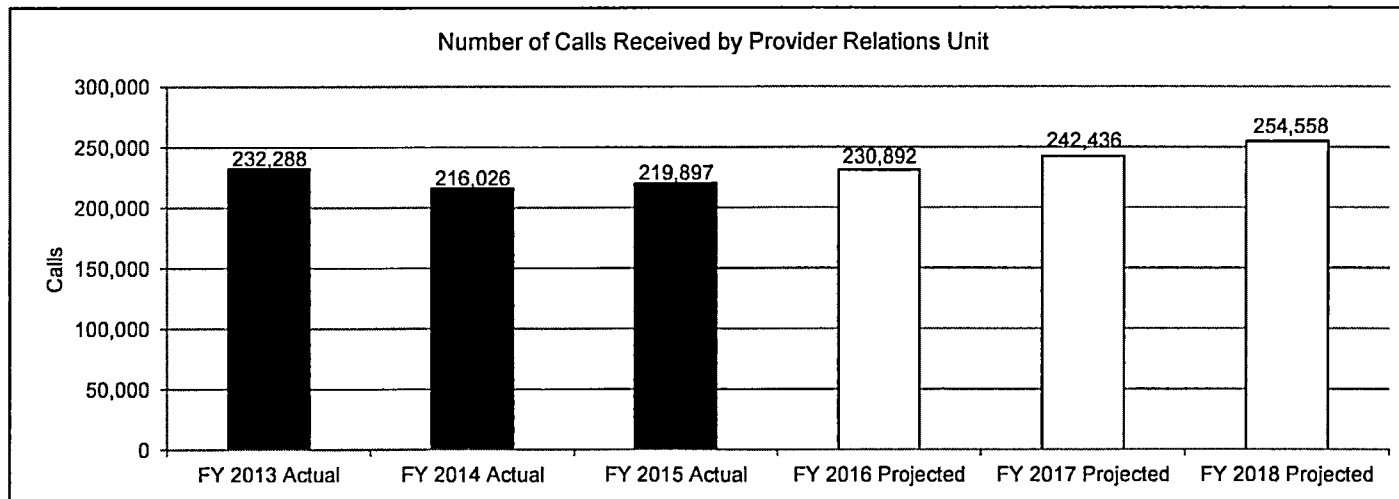
6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an effectiveness measure.

Effectiveness Measure: Provide support for participants and providers. Last year the Participant Services Unit received and responded to 245,045 calls from participants.

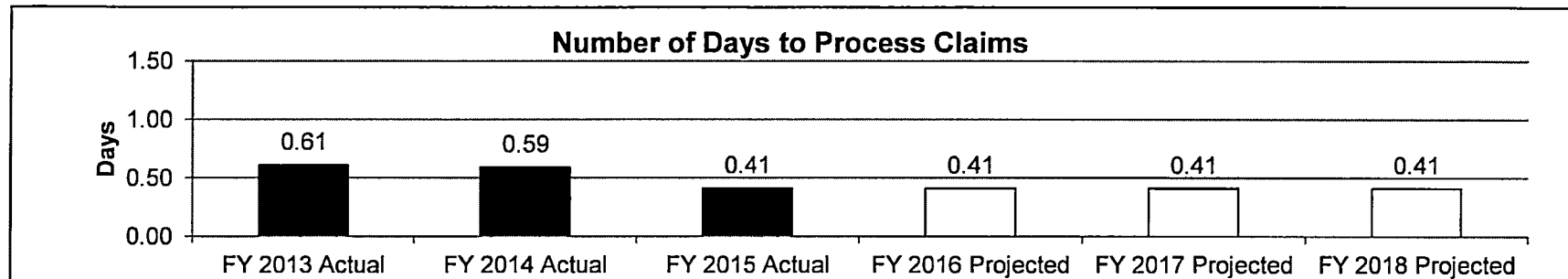


The Provider Relations Unit received and responded to 219,897 calls in SFY 2015.

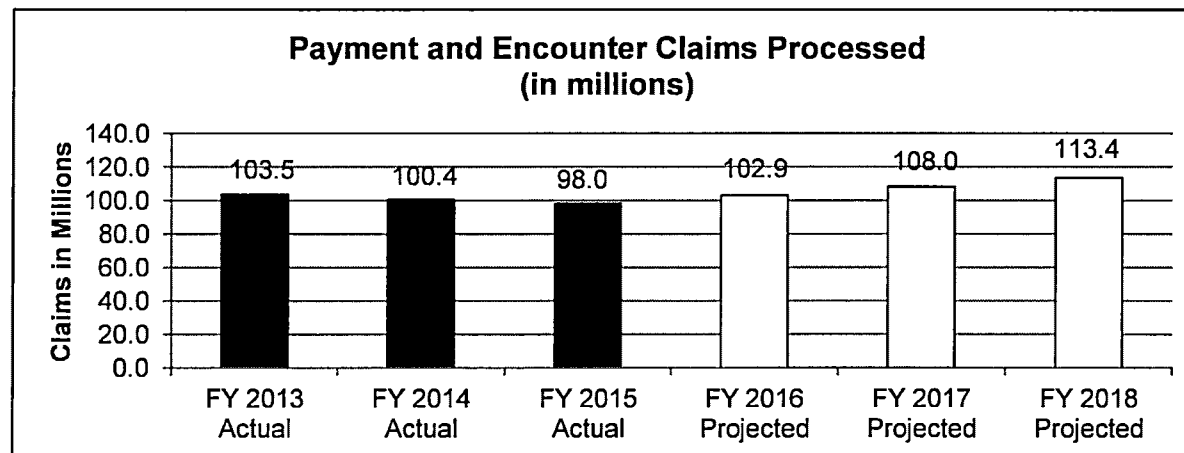


6b. Provide an efficiency measure.

Efficiency Measure: Promptly process "clean" claims in less than one day. For the past three fiscal years, claims passing system edits have been processed in less than one day. Processed claims are paid twice a month. In SFY 2015, over 98 million claims were processed.



6c. Provide the number of clients/individuals served, if applicable.



6d. Provide a customer satisfaction measure, if available.

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--|------------|-------------|------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| INFORMATION SYSTEMS | | | | | | | | |
| Sustaining MMIS Infrastructure - 1886014 | | | | | | | | |
| PROFESSIONAL SERVICES | 0 | 0.00 | 0 | 0.00 | 17,000,000 | 0.00 | 17,000,000 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 17,000,000 | 0.00 | 17,000,000 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$17,000,000 | 0.00 | \$17,000,000 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$4,250,000 | 0.00 | \$4,250,000 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$12,750,000 | 0.00 | \$12,750,000 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | |
|---------------------------------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| ELECTRONIC HLTH RECORDS INCNTV | | | | | | | | |
| CORE | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| FEDERAL STIMULUS-DSS | 1,253,881 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| TOTAL - EE | 1,253,881 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| PROGRAM-SPECIFIC | | | | | | | | |
| FEDERAL STIMULUS-DSS | 38,080,439 | 0.00 | 60,000,000 | 0.00 | 60,000,000 | 0.00 | 50,000,000 | 0.00 |
| TOTAL - PD | 38,080,439 | 0.00 | 60,000,000 | 0.00 | 60,000,000 | 0.00 | 50,000,000 | 0.00 |
| TOTAL | 39,334,320 | 0.00 | 60,000,000 | 0.00 | 60,000,000 | 0.00 | 50,000,000 | 0.00 |
| GRAND TOTAL | \$39,334,320 | 0.00 | \$60,000,000 | 0.00 | \$60,000,000 | 0.00 | \$50,000,000 | 0.00 |

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im_disummary

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Electronic Health Records Incentives

Budget Unit: 90523C
HB Section: 11.425

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | |
|------------------------|-------------------|-------|-------------------|
| GR | Federal | Other | Total |
| PS | | | |
| EE | | | |
| PSD | 60,000,000 | | 60,000,000 |
| TRF | | | |
| Total | 60,000,000 | | 60,000,000 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

| FY 2017 Governor's Recommendation | | | |
|-----------------------------------|-------------------|-------|-------------------|
| GR | Fed | Other | Total |
| PS | | | |
| EE | | | |
| PSD | 50,000,000 | | 50,000,000 |
| TRF | | | |
| Total | 50,000,000 | | 50,000,000 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

2. CORE DESCRIPTION

This core request is for funding of the MO HealthNet Electronic Health Record (EHR) Incentive Program, that provides incentive payments to eligible professionals and eligible hospitals that adopt, implement, upgrade, or meaningfully use certified EHR technology. Eligible providers must meet Medicaid patient volume thresholds, purchase and use certified EHR products, and meet meaningful use requirements to demonstrate that EHR systems are used to improve clinical outcomes over time.

3. PROGRAM LISTING (list programs included in this core funding)

Electronic Health Records Incentives

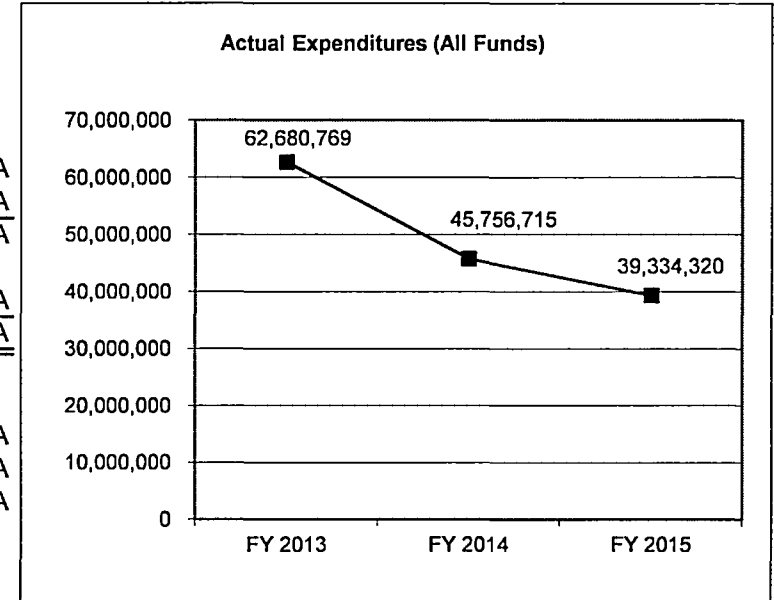
CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Electronic Health Records Incentives

Budget Unit: 90523C
HB Section: 11.425

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|
| Appropriation (All Funds) | 100,000,000 | 100,000,000 | 85,000,000 | 60,000,000 |
| Less Reverted (All Funds) | 0 | 0 | 0 | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 100,000,000 | 100,000,000 | 85,000,000 | N/A |
| Actual Expenditures (All Funds) | 62,680,769 | 45,756,715 | 39,334,320 | N/A |
| Unexpended (All Funds) | 37,319,231 | 54,243,285 | 45,665,680 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 37,319,231 | 54,243,285 | 45,665,680 | N/A |
| Other | 0 | 0 | 0 | N/A |
| | | | (1) | (2) |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) Core reduction of \$15M in FY15.

(2) Core reduction of \$15M in FY16.

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES ELECTRONIC HLTH RECORDS INCNTV

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|-----------------|-------------|----------|---------------------|----------|---------------------|-------------------------------|
| TAFP AFTER VETOES | | | | | | | |
| | PD | 0.00 | 0 | 60,000,000 | 0 | 60,000,000 | |
| | Total | 0.00 | 0 | 60,000,000 | 0 | 60,000,000 | |
| DEPARTMENT CORE REQUEST | | | | | | | |
| | PD | 0.00 | 0 | 60,000,000 | 0 | 60,000,000 | |
| | Total | 0.00 | 0 | 60,000,000 | 0 | 60,000,000 | |
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | |
| Core Reduction | 1702 7962 PD | 0.00 | 0 | (10,000,000) | 0 | (10,000,000) | Excess Fed Stimulus authority |
| NET GOVERNOR CHANGES | | 0.00 | 0 | (10,000,000) | 0 | (10,000,000) | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | |
| | PD | 0.00 | 0 | 50,000,000 | 0 | 50,000,000 | |
| | Total | 0.00 | 0 | 50,000,000 | 0 | 50,000,000 | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|--------------------------------|--------------|---------|--------------|---------|--------------|----------|--------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| ELECTRONIC HLTH RECORDS INCNTV | | | | | | | | |
| CORE | | | | | | | | |
| TRAVEL, OUT-OF-STATE | 2,777 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| PROFESSIONAL DEVELOPMENT | 820 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| PROFESSIONAL SERVICES | 1,250,284 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| TOTAL - EE | 1,253,881 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| PROGRAM DISTRIBUTIONS | 38,080,439 | 0.00 | 60,000,000 | 0.00 | 60,000,000 | 0.00 | 50,000,000 | 0.00 |
| TOTAL - PD | 38,080,439 | 0.00 | 60,000,000 | 0.00 | 60,000,000 | 0.00 | 50,000,000 | 0.00 |
| GRAND TOTAL | \$39,334,320 | 0.00 | \$60,000,000 | 0.00 | \$60,000,000 | 0.00 | \$50,000,000 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$39,334,320 | 0.00 | \$60,000,000 | 0.00 | \$60,000,000 | 0.00 | \$50,000,000 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.425

Program Name: Electronic Health Records Incentive

Program is found in the following core budget(s): Electronic Health Records Incentive

1. What does this program do?

Missouri's Medicaid Electronic Health Records (EHR) Incentive program became operational on April 4, 2011. To qualify for Medicaid incentive payments during the first year, eligible professionals must meet volume thresholds for Medicaid patients and show that they have adopted, implemented, or upgraded to certified EHR technology. To receive additional payments in subsequent years, professionals are required to demonstrate meaningful use of certified EHR technology. Under the program, eligible professionals can receive up to \$63,750 in incentive payments over six years; hospital amounts are based on an established formula primarily driven by discharges. Amounts vary significantly by hospital, but the average first year payment is \$763,850.

Eligible professionals (EPs) include physicians, dentists, certified nurse midwives, nurse practitioners, and physician assistants practicing in rural health clinics or Federally-Qualified Health Centers (FQHCs) led by a physician assistant. EPs must have at least a 30% patient volume attributable to Medicaid (20% for pediatricians). EPs can base their volume on either their *individual* Medicaid patient encounters or the *practice's* Medicaid patient encounters. Encounters include both fee-for-service and managed care for which Medicaid paid in whole or in part. Beginning in program year 2013, zero pay claims could also be counted, recognizing service to Medicaid-enrolled individuals regardless of liability. Eligible hospitals (EHs) include acute care hospitals, all stand-alone children's hospitals, cancer hospitals, and critical access hospitals. Except for children's hospitals, EHs must have at least 10% Medicaid patient volume.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Federal law: ARRA Section 4201; Federal Regulation: 42 CFR Parts 412, 413, 422, and 495

3. Are there federal matching requirements? If yes, please explain.

Expenditures for healthcare technology incentives are 100% federal funds. Administrative costs earn a 90% federal match.

4. Is this a federally mandated program? If yes, please explain.

No.

PROGRAM DESCRIPTION

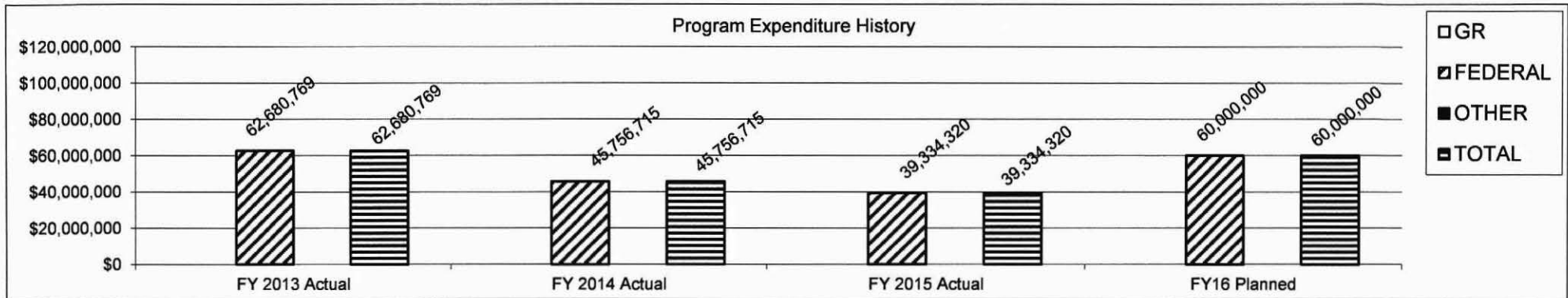
Department: Social Services

HB Section: 11.425

Program Name: Electronic Health Records Incentive

Program is found in the following core budget(s): Electronic Health Records Incentive

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

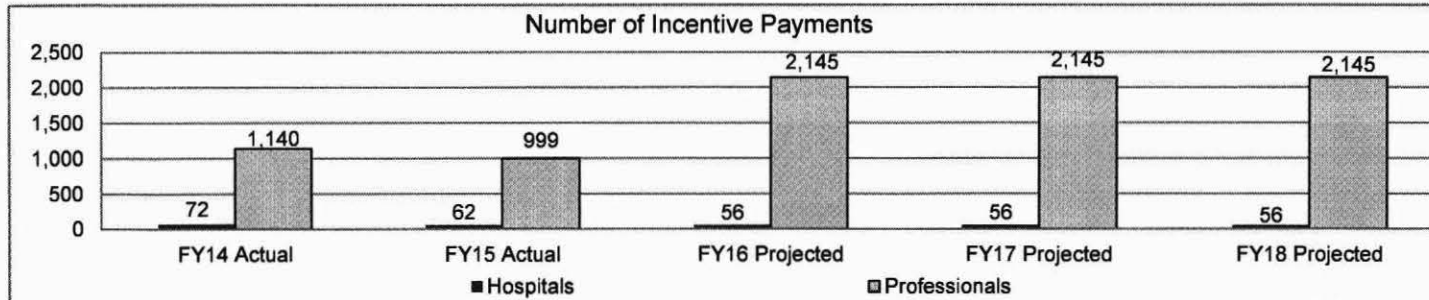


6. What are the sources of the "Other" funds?

N/A

7a. Provide an effectiveness measure.

Increase the number of hospitals and eligible professionals demonstrating meaningful use of EHR technology.



PROGRAM DESCRIPTION

Department: Social Services

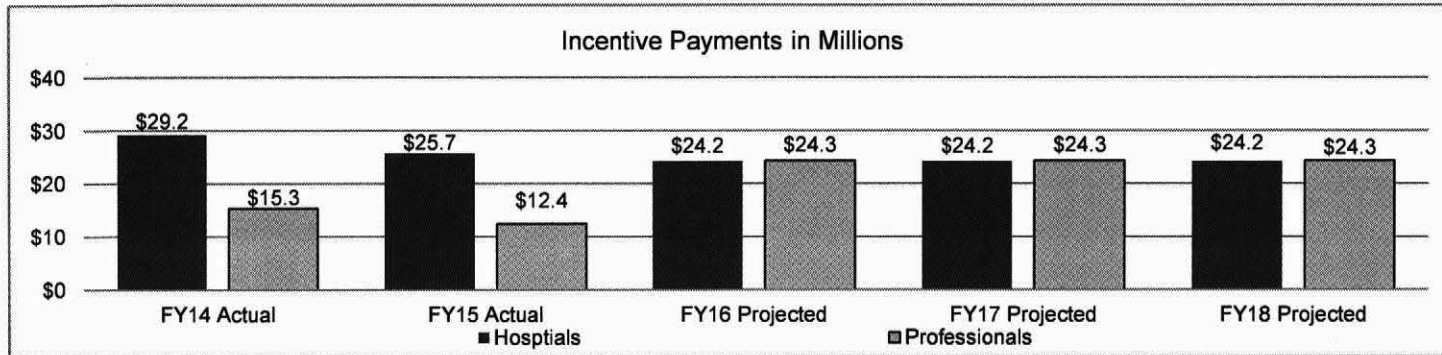
HB Section: 11.425

Program Name: Electronic Health Records Incentive

Program is found in the following core budget(s): Electronic Health Records Incentive

7b. Provide an efficiency measure.

Provide adequate payments for Electronic Health Records Incentives to MO HealthNet providers with the funds appropriated.



7c. Provide the number of clients/individuals served, if applicable.

N/A

7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|---------------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| MONEY FOLLOWS THE PERSON GRANT | | | | | | | | | |
| CORE | | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | | |
| DEPT OF SOC SERV FEDERAL & OTH | 326,352 | 0.00 | 453,277 | 0.00 | 453,277 | 0.00 | 453,277 | 0.00 | |
| TOTAL - EE | 326,352 | 0.00 | 453,277 | 0.00 | 453,277 | 0.00 | 453,277 | 0.00 | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 79,272 | 0.00 | 79,272 | 0.00 | 79,272 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 79,272 | 0.00 | 79,272 | 0.00 | 79,272 | 0.00 | |
| TOTAL | 326,352 | 0.00 | 532,549 | 0.00 | 532,549 | 0.00 | 532,549 | 0.00 | |
| GRAND TOTAL | \$326,352 | 0.00 | \$532,549 | 0.00 | \$532,549 | 0.00 | \$532,549 | 0.00 | |

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CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Money Follows the Person

Budget Unit: 90524C

HB Section: 11.430

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | |
|------------------------|----|----------------|----------------|
| | GR | Federal | Total |
| PS | | | |
| EE | | 453,277 | 453,277 |
| PSD | | 79,272 | 79,272 |
| TRF | | | |
| Total | | 532,549 | 532,549 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

| FY 2017 Governor's Recommendation | | | |
|-----------------------------------|----|----------------|----------------|
| | GR | Federal | Total |
| PS | | | |
| EE | | 453,277 | 453,277 |
| PSD | | 79,272 | 79,272 |
| TRF | | | |
| Total | | 532,549 | 532,549 |

FTE

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

2. CORE DESCRIPTION

This core request is for on-going funding for the administration of the Money Follows the Person program. Money Follows the Person Demonstration program transitions individuals who are elderly, disabled or who have developmental disabilities from nursing facilities or state owned habilitation centers to Home and Community Based Services.

3. PROGRAM LISTING (list programs included in this core funding)

Money Follows the Person

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Money Follows the Person

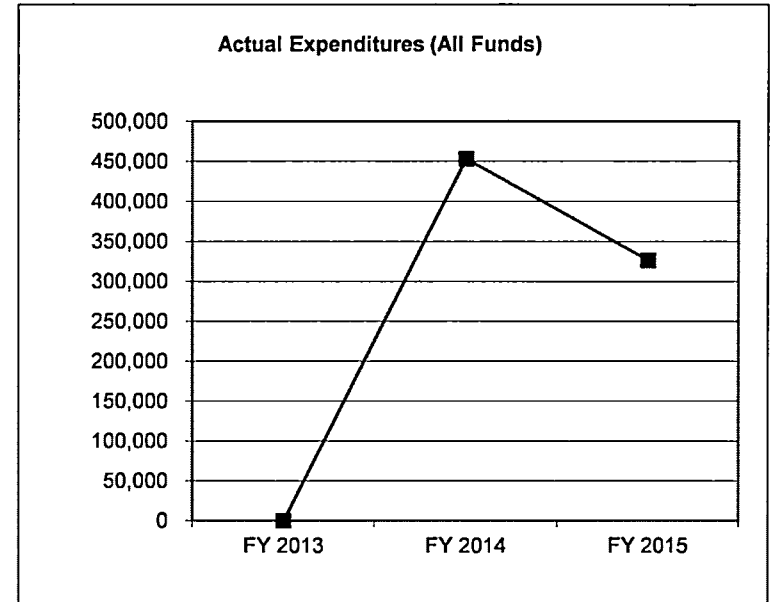
Budget Unit: 90524C

HB Section: 11.430

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|
| Appropriation (All Funds) | 0 | 532,549 | 532,549 | 532,549 |
| Less Reverted (All Funds) | 0 | 0 | 0 | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 0 | 532,549 | 532,549 | N/A |
| Actual Expenditures (All Funds) | 0 | 453,273 | 326,352 | N/A |
| Unexpended (All Funds) | 0 | 0 | 206,197 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 0 | 79,276 | 206,197 | N/A |
| Other | 0 | 0 | 0 | N/A |

(1)



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY14 Section was transferred to MO HealthNet Division from Federal Grants and Donations.

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES
MONEY FOLLOWS THE PERSON GRANT

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|------------------------------------|-----------------|-------------|----------|----------------|----------|----------------|-------------|
| TAFP AFTER VETOES | | | | | | | |
| | EE | 0.00 | 0 | 453,277 | 0 | 453,277 | |
| | PD | 0.00 | 0 | 79,272 | 0 | 79,272 | |
| | Total | 0.00 | 0 | 532,549 | 0 | 532,549 | |
| DEPARTMENT CORE REQUEST | | | | | | | |
| | EE | 0.00 | 0 | 453,277 | 0 | 453,277 | |
| | PD | 0.00 | 0 | 79,272 | 0 | 79,272 | |
| | Total | 0.00 | 0 | 532,549 | 0 | 532,549 | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | |
| | EE | 0.00 | 0 | 453,277 | 0 | 453,277 | |
| | PD | 0.00 | 0 | 79,272 | 0 | 79,272 | |
| | Total | 0.00 | 0 | 532,549 | 0 | 532,549 | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MONEY FOLLOWS THE PERSON GRANT | | | | | | | | |
| CORE | | | | | | | | |
| TRAVEL, IN-STATE | 975 | 0.00 | 2,086 | 0.00 | 2,086 | 0.00 | 2,086 | 0.00 |
| TRAVEL, OUT-OF-STATE | 1,384 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| SUPPLIES | 456 | 0.00 | 175 | 0.00 | 175 | 0.00 | 175 | 0.00 |
| PROFESSIONAL DEVELOPMENT | 735 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| PROFESSIONAL SERVICES | 322,170 | 0.00 | 450,716 | 0.00 | 450,716 | 0.00 | 450,716 | 0.00 |
| BUILDING LEASE PAYMENTS | 0 | 0.00 | 150 | 0.00 | 150 | 0.00 | 150 | 0.00 |
| MISCELLANEOUS EXPENSES | 632 | 0.00 | 150 | 0.00 | 150 | 0.00 | 150 | 0.00 |
| TOTAL - EE | 326,352 | 0.00 | 453,277 | 0.00 | 453,277 | 0.00 | 453,277 | 0.00 |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 79,272 | 0.00 | 79,272 | 0.00 | 79,272 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 79,272 | 0.00 | 79,272 | 0.00 | 79,272 | 0.00 |
| GRAND TOTAL | \$326,352 | 0.00 | \$532,549 | 0.00 | \$532,549 | 0.00 | \$532,549 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$326,352 | 0.00 | \$532,549 | 0.00 | \$532,549 | 0.00 | \$532,549 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.430

Program Name: Money Follows The Person

Program is found in the following core budget(s): Money Follows the Person

1. What does this program do?

This program provides payment for the administration of the Money Follows the Person program and is 100% funded through a federal grant.

Money Follows the Person (MFP) is a demonstration grant that aides in transitioning individuals with disabilities or who are aging from habilitation centers and nursing facilities into their community. MFP helps identify barriers that prevent individuals currently residing in state or private facilities from accessing needed long-term community support services. MFP helps improve the ability of the Missouri Medicaid program to continue the provision of Home and Community Based Services (HCBS) long term care services to those individuals choosing to transition to communities. Lastly, MFP helps ensure procedures are in place to provide continuous quality improvement in HCBS.

In order to be eligible for the Money Follows the Person program, an individual must have been in a nursing facility or ICF/MR bed for at least 90 consecutive (non-Medicare Rehab) days; be Medicaid eligible at the time of transition; move into qualified housing; and sign a participation agreement. At the time of discharge the participant must be in a certified Medicaid bed.

Once in, participants reside in the program for 365 community days after which they seamlessly transition to the regular HCBS programs. The grant provides up to \$2,400 to participants transitioning from a nursing facility, as a one-time assistance for transition costs to set up home in the community. This one-time assistance can be used any time within the 365 days.

The MFP program extends through September 30, 2016 with any remainder funds awarded through the grant in 2016 being used until 2020.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 6071 of the Federal Deficit Reduction Act of 2005; PL 109-171, and amended by the Affordable Care Act, Section 2403.

3. Are there federal matching requirements? If yes, please explain.

Money Follows the Person administrative expenditures earn 100% federal matching funds.

4. Is this a federally mandated program? If yes, please explain.

No.

PROGRAM DESCRIPTION

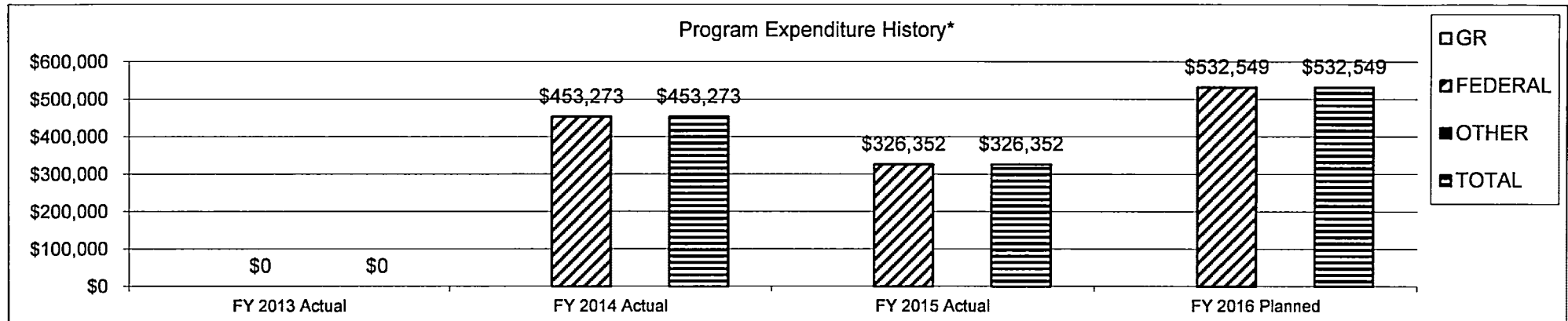
Department: Social Services

HB Section: 11.430

Program Name: Money Follows The Person

Program is found in the following core budget(s): Money Follows the Person

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



*Expenditure history in this appropriation was moved to new section in FY 2014.

6. What are the sources of the "Other" funds?

N/A

7a. Provide an effectiveness measure.

N/A

7b. Provide an efficiency measure.

N/A

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.430

Program Name: Money Follows The Person

Program is found in the following core budget(s): Money Follows the Person

7c. Provide the number of clients/individuals served, if applicable.

Number of Transitions by Target Population

| CY Year | Elderly | Developmental Disability | Physical Disability | Developmental Disability/Mental Illness | Total |
|-------------------|---------|-----------------------------|------------------------|---|-------|
| CY 2013 Actual | 35 | 34 | 92 | 2 | 163 |
| CY 2014 Actual | 53 | 22 | 108 | 3 | 186 |
| CY 2015 Projected | 50 | 51 | 115 | 2 | 218 |
| CY 2016 Projected | 54 | 45 | 127 | 3 | 229 |
| CY 2017 Projected | 57 | 42 | 136 | 3 | 238 |
| CY 2018 Projected | 61 | 42 | 141 | 3 | 247 |

7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | |
|--|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY | | | | | | | | |
| CORE | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 64,773 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 |
| TOTAL - EE | 64,773 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 105,115,381 | 0.00 | 87,343,166 | 0.00 | 87,343,166 | 0.00 | 84,696,104 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 673,593,927 | 0.00 | 744,527,374 | 0.00 | 744,527,374 | 0.00 | 744,527,374 | 0.00 |
| PHARMACY REBATES | 196,397,118 | 0.00 | 229,804,828 | 0.00 | 229,804,828 | 0.00 | 229,804,828 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 4,217,574 | 0.00 | 4,217,574 | 0.00 | 4,217,574 | 0.00 | 4,217,574 | 0.00 |
| PHARMACY REIMBURSEMENT ALLOWAN | 54,978,493 | 0.00 | 61,745,023 | 0.00 | 61,745,023 | 0.00 | 61,745,023 | 0.00 |
| HEALTH INITIATIVES | 940,214 | 0.00 | 969,293 | 0.00 | 969,293 | 0.00 | 969,293 | 0.00 |
| HEALTHY FAMILIES TRUST | 0 | 0.00 | 23,541,034 | 0.00 | 23,541,034 | 0.00 | 0 | 0.00 |
| LIFE SCIENCES RESEARCH TRUST | 23,000,000 | 0.00 | 23,056,250 | 0.00 | 23,056,250 | 0.00 | 10,556,250 | 0.00 |
| PREMIUM | 3,800,000 | 0.00 | 3,800,000 | 0.00 | 3,800,000 | 0.00 | 3,800,000 | 0.00 |
| TOTAL - PD | 1,062,042,707 | 0.00 | 1,179,004,542 | 0.00 | 1,179,004,542 | 0.00 | 1,140,316,446 | 0.00 |
| TOTAL | 1,062,107,480 | 0.00 | 1,179,212,120 | 0.00 | 1,179,212,120 | 0.00 | 1,140,524,024 | 0.00 |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 60,461,570 | 0.00 | 36,830,857 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 75,643,117 | 0.00 | 77,286,433 | 0.00 |
| PHARMACY REBATES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4,321,623 | 0.00 |
| HEALTH INITIATIVES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,574,057 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 136,104,687 | 0.00 | 121,012,970 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 136,104,687 | 0.00 | 121,012,970 | 0.00 |
| Pharmacy PMPM-Specialty - 1886002 | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 49,408,468 | 0.00 | 49,536,445 | 0.00 |

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DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|--|----------|-------------|----------|-------------|--------------------|-------------|--------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| PHARMACY | | | | | | | | | |
| Pharmacy PMPM-Specialty - 1886002 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 85,303,935 | 0.00 | 85,175,958 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 134,712,403 | 0.00 | 134,712,403 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 134,712,403 | 0.00 | 134,712,403 | 0.00 | |
| Pharmacy PMPM-Non-Specialty - 1886003 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 11,742,036 | 0.00 | 11,772,450 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 20,272,677 | 0.00 | 20,242,263 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 32,014,713 | 0.00 | 32,014,713 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 32,014,713 | 0.00 | 32,014,713 | 0.00 | |
| ABLE Accounts - 1886039 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 1,095,174 | 0.00 | 1,099,472 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 2,864,884 | 0.00 | 2,860,586 | 0.00 | |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 0 | 0.00 | 564,181 | 0.00 | 564,181 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 4,524,239 | 0.00 | 4,524,239 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 4,524,239 | 0.00 | 4,524,239 | 0.00 | |
| Tobacco GR Pickup - 1886015 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 36,041,034 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 36,041,034 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 36,041,034 | 0.00 | |

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DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | |
|-----------------------------|-----------------|---------|-----------------|---------|-----------------|----------|-----------------|---------|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,147,062 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,147,062 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,147,062 | 0.00 |
| GRAND TOTAL | \$1,062,107,480 | 0.00 | \$1,179,212,120 | 0.00 | \$1,486,568,162 | 0.00 | \$1,470,976,445 | 0.00 |

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Pharmacy

Budget Unit: 90541C

HB Section: 11.435

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | |
|------------------------|------------|-------------|-------------|---------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | 207,578 | | 207,578 |
| PSD | 87,343,166 | 744,527,374 | 347,134,002 | 1,179,004,542 |
| TRF | | | | |
| Total | 87,343,166 | 744,734,952 | 347,134,002 | 1,179,212,120 |
| FTE | | | | 0.00 |

| | | | | |
|---|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation. | | | | |

Other Funds: Pharmacy Rebates Fund (0114)
Third Party Liability Collections Fund (TPL) (0120)
Pharmacy Reimbursement Allowance Fund (0144)
Health Initiatives Fund (HIF) (0275)
Healthy Families Trust Fund (0625)
Premium Fund (0885)
Life Sciences Research Trust Fund (0763)

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|------------|-------------|-------------|---------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | 207,578 | | 207,578 |
| PSD | 84,696,104 | 744,527,374 | 311,092,968 | 1,140,316,446 |
| TRF | | | | |
| Total | 84,696,104 | 744,734,952 | 311,092,968 | 1,140,524,024 |
| FTE | | | | 0.00 |

| | | | | |
|---|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation. | | | | |

Other Funds: Pharmacy Rebates Fund (0114)
Third Party Liability Collections Fund (TPL) (0120)
Pharmacy Reimbursement Allowance Fund (0144)
Health Initiatives Fund (HIF) (0275)
Healthy Families Trust Fund (0625)
Premium Fund (0885)
Life Sciences Research Trust Fund (0763)

2. CORE DESCRIPTION

This core request is for the continued funding of the pharmacy program. This funding is necessary to maintain pharmacy reimbursement at a sufficient level to ensure quality health care and provider participation. Funding provides pharmacy services for both managed care and fee-for-service populations. Beginning on October 1, 2009, pharmacy services were carved-out of the managed care capitation rates and the state began administering the pharmacy benefit for participants enrolled in managed care.

3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy

CORE DECISION ITEM

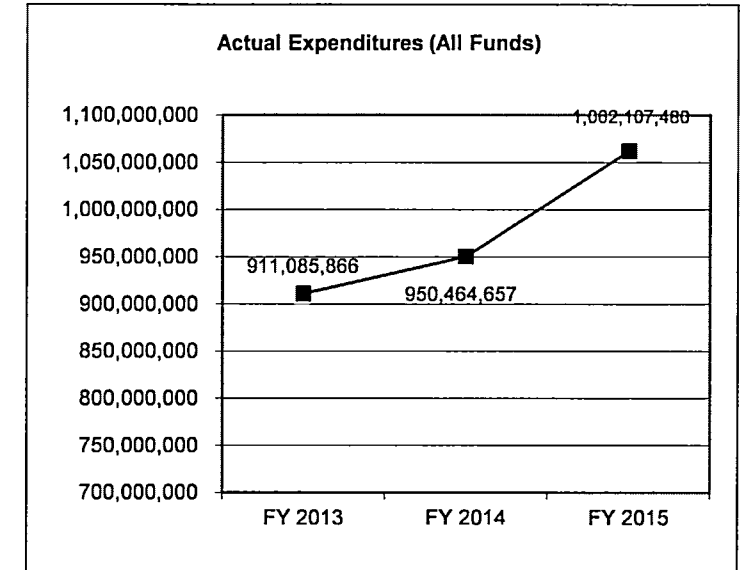
Department: Social Services
Division: MO HealthNet
Core: Pharmacy

Budget Unit: 90541C

HB Section: 11.435

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|
| Appropriation (All Funds) | 921,776,301 | 972,497,804 | 1,141,350,373 | 1,179,212,120 |
| Less Reverted (All Funds) | (29,079) | (29,079) | (29,079) | N/A |
| Budget Authority (All Funds) | 971,321,959 | 972,468,725 | 1,141,321,294 | N/A |
| Actual Expenditures (All Funds) | 911,085,866 | 950,464,657 | 1,062,107,480 | N/A |
| Unexpended (All Funds) | 7,446,674 | 22,004,068 | 79,213,814 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 4,957,371 | 0 | 0 | N/A |
| Other | 5,703,985 | 22,004,068 | 79,213,814 | N/A |
| | (1) | (2) | (3) | |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY13 Pharmacy Rebates is no longer an estimated ('E') appropriation. Expenditures of \$17,858,413 from Supplemental Pool. \$5,703,985 shortfall in Pharmacy FRA due to lower than projected revenues.

(2) FY14 Supplemental Budget of \$17,789,248 GR. Shortfall of \$8,885,235 of Life Sciences Research Trust Fund and \$29,079 of reverted HIF funds. Expenditures of \$10,547,736 paid from Hospital Care; \$33,430,023 paid from Managed Care; \$12,245,550 paid from Supplemental Pool; \$8,113,113 paid from Clawback. \$13,118,833 shortfall in Pharmacy FRA due to lower than projected revenue.

(3) FY15 Supplemental Budget of \$82,265,732 GR. Unexpended funds include \$53,597,284 shortfall in tobacco settlement funds to the Health Families Trust Fund, and the Life Sciences Research Trust Fund, \$10,000,000 shortfall in revenue to the Surplus Revenue Fund and \$15,616,530 shortfall in available revenue to the Pharmacy FRA fund. Expenditures of \$23,054,862 paid from Clawback; \$43,927,560 paid from Managed Care.

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Pharmacy

Budget Unit: 90541C

HB Section: 11.435

Cost Per Eligible - Per Member Per Month (PMPM)

| | Pharmacy PMPM | Acute Care PMPM | Total PMPM | Pharmacy Percentage of Acute | Pharmacy Percentage of Total |
|-------------------|---------------|-----------------|------------|------------------------------|------------------------------|
| PTD | \$372.80 | \$1,074.20 | \$1,961.17 | 34.70% | 19.01% |
| Seniors | \$37.85 | \$368.96 | \$1,565.89 | 10.26% | 2.42% |
| Custodial Parents | \$121.01 | \$473.61 | \$507.28 | 25.55% | 23.85% |
| Children* | \$56.09 | \$274.18 | \$303.51 | 20.46% | 18.48% |
| Pregnant Women | \$66.74 | \$657.06 | \$671.28 | 10.16% | 9.94% |

Source: Table 23 Medical Statistics for FY 15. (Paid Claims Data)

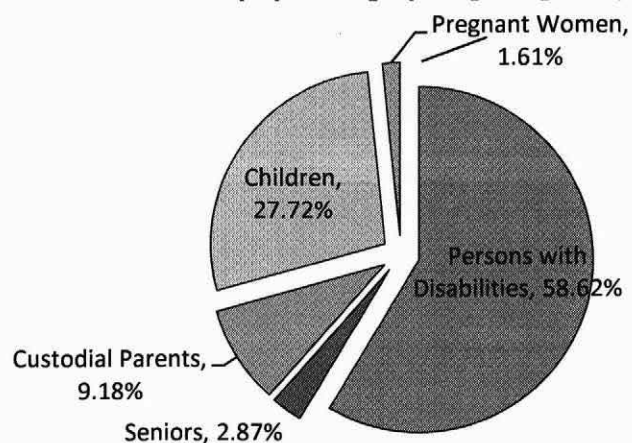
* CHIP eligibles not included

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

Pharmacy Spending by Large Eligibility Group



Source: Table 23 Medical Statistics for FY 15. (Paid Claims Data)

The PMPM table reflects the PMPM amounts for pharmacy, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, pharmacy, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the pharmacy PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for pharmacy services. It provides a snapshot of what eligibility groups are receiving pharmacy services, as well as the populations impacted by program changes.

CORE RECONCILIATION DETAIL

**DEPARTMENT OF SOCIAL SERVICES
PHARMACY**

5. CORE RECONCILIATION DETAIL

| | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|--------------|--------------|-------------|--------------------|--------------------|---------------------|----------------------|---|
| TAFP AFTER VETOES | | | | | | | | |
| | EE | | 0.00 | 0 | 207,578 | 0 | 207,578 | |
| | PD | | 0.00 | 87,343,166 | 744,527,374 | 347,134,002 | 1,179,004,542 | |
| | Total | | 0.00 | 87,343,166 | 744,734,952 | 347,134,002 | 1,179,212,120 | |
| DEPARTMENT CORE REQUEST | | | | | | | | |
| | EE | | 0.00 | 0 | 207,578 | 0 | 207,578 | |
| | PD | | 0.00 | 87,343,166 | 744,527,374 | 347,134,002 | 1,179,004,542 | |
| | Total | | 0.00 | 87,343,166 | 744,734,952 | 347,134,002 | 1,179,212,120 | |
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | | |
| Core Reduction | 1614 3051 | PD | 0.00 | 0 | 0 | (12,500,000) | (12,500,000) | Pharmacy- OF redux for Tobacco GR pickup (HFTF/LSRTF) |
| Core Reduction | 1614 3706 | PD | 0.00 | 0 | 0 | (23,541,034) | (23,541,034) | Pharmacy- OF redux for Tobacco GR pickup (HFTF/LSRTF) |
| Core Reduction | 1754 2525 | PD | 0.00 | (500,000) | 0 | 0 | (500,000) | Governor core reduction |
| Core Reduction | 1785 2525 | PD | 0.00 | (2,147,062) | 0 | 0 | (2,147,062) | FMAP adjustment |
| NET GOVERNOR CHANGES | | | 0.00 | (2,647,062) | 0 | (36,041,034) | (38,688,096) | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | | |
| | EE | | 0.00 | 0 | 207,578 | 0 | 207,578 | |
| | PD | | 0.00 | 84,696,104 | 744,527,374 | 311,092,968 | 1,140,316,446 | |
| | Total | | 0.00 | 84,696,104 | 744,734,952 | 311,092,968 | 1,140,524,024 | |

FLEXIBILITY REQUEST FORM

| BUDGET UNIT NUMBER: 90541C BUDGET UNIT NAME: Pharmacy HOUSE BILL SECTION: 11.435 | DEPARTMENT: Social Services DIVISION: MO HealthNet | | | | | | | | | | | | |
|--|---|------------------|-----------------------|------------------|-----------------------|------------------------------|-----------------|-----|---------------|--|-----------------|-----|---------------|
| 1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. | | | | | | | | | | | | | |
| DEPARTMENT REQUEST | | | | | | | | | | | | | |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: center;">Core</th> <th style="width: 20%; text-align: center;">% Flex Requested</th> <th style="width: 30%; text-align: center;">Flex Requested Amount</th> </tr> </thead> <tbody> <tr> <td><i>Total Program Request</i></td> <td style="text-align: right;">\$1,179,212,120</td> <td style="text-align: center;">10%</td> <td style="text-align: right;">\$117,921,212</td> </tr> <tr> <td></td> <td style="text-align: right;">\$1,179,212,120</td> <td style="text-align: center;">25%</td> <td style="text-align: right;">\$294,803,030</td> </tr> </tbody> </table> | | | Core | % Flex Requested | Flex Requested Amount | <i>Total Program Request</i> | \$1,179,212,120 | 10% | \$117,921,212 | | \$1,179,212,120 | 25% | \$294,803,030 |
| | Core | % Flex Requested | Flex Requested Amount | | | | | | | | | | |
| <i>Total Program Request</i> | \$1,179,212,120 | 10% | \$117,921,212 | | | | | | | | | | |
| | \$1,179,212,120 | 25% | \$294,803,030 | | | | | | | | | | |
| 2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount. | | | | | | | | | | | | | |
| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | | | | | | | | | | | | |
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | | | | | | | | | | | | |
| 3. Please explain how flexibility was used in the prior and/or current years. | | | | | | | | | | | | | |
| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE | | | | | | | | | | | | |
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. | | | | | | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------|------------------------|-------------|------------------------|-------------|------------------------|-------------|------------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY | | | | | | | | |
| CORE | | | | | | | | |
| PROFESSIONAL SERVICES | 64,773 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 |
| TOTAL - EE | 64,773 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 |
| PROGRAM DISTRIBUTIONS | 1,062,042,707 | 0.00 | 1,179,004,542 | 0.00 | 1,179,004,542 | 0.00 | 1,140,316,446 | 0.00 |
| TOTAL - PD | 1,062,042,707 | 0.00 | 1,179,004,542 | 0.00 | 1,179,004,542 | 0.00 | 1,140,316,446 | 0.00 |
| GRAND TOTAL | \$1,062,107,480 | 0.00 | \$1,179,212,120 | 0.00 | \$1,179,212,120 | 0.00 | \$1,140,524,024 | 0.00 |
| GENERAL REVENUE | \$105,180,154 | 0.00 | \$87,343,166 | 0.00 | \$87,343,166 | 0.00 | \$84,696,104 | 0.00 |
| FEDERAL FUNDS | \$673,593,927 | 0.00 | \$744,734,952 | 0.00 | \$744,734,952 | 0.00 | \$744,734,952 | 0.00 |
| OTHER FUNDS | \$283,333,399 | 0.00 | \$347,134,002 | 0.00 | \$347,134,002 | 0.00 | \$311,092,968 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.435

Program Name: Pharmacy

Program is found in the following core budget(s): Pharmacy

1. What does this program do?

The pharmacy services section provides funding for prescription drugs dispensed by qualified providers that are produced by manufacturers that have a rebate agreement between the manufacturer and the federal Department of Health and Human Services (HHS). Since January 1, 1991, the MO HealthNet program has provided reimbursement for all outpatient drugs (except for those which are specifically excluded) for which there is a manufacturer's rebate agreement. While over-the-counter products do not require a prescription for sale to the general public, a prescription for those selected types of over-the-counter products that qualify for MO HealthNet coverage is required in order for the product to be reimbursable. In general terms, MO HealthNet drug reimbursement is made at the lower of: 1) the Wholesale Acquisition Cost (WAC) plus 10%; 2) the Federal Upper Limit (FUL); 3) the Missouri Maximum Acquisition Cost (MAC); 4) or the billed charge. MO HealthNet uses its electronic tools incorporating clinical criteria derived from best practices and evidence-based medical information to adjudicate claims through clinical edits, preferred drug list edits, and prior authorization.

The U.S. Congress created the Medicaid outpatient prescription drug rebate program when it enacted the Omnibus Budget Reconciliation Act of 1990 (OBRA '90). The goal of the program is to reduce the cost of outpatient prescription drugs by requiring drug manufacturers to pay a rebate directly to state Medicaid programs. The purpose of the program is to reduce the cost of prescription drugs without placing an undue burden on pharmacies. The intent of this rebate is to allow the state and federal governments to receive price reductions similar to those received by other high volume purchasers of drugs.

Rebate Program

OBRA '90 requires all drug manufacturers to enter into a drug rebate agreement with the Department of Health and Human Services before their product lines will be eligible for coverage by Medicaid. Currently, 626 manufacturers have signed agreements with Centers for Medicare and Medicaid Services (CMS) and participate in the Drug Rebate Program. For MHN participants, approximately 400 manufacturers have products dispensed and are invoiced quarterly. Once the drug manufacturer has entered into the agreement, the state Medicaid programs are required to provide coverage of the manufacturers' drug products. However, the state has the option of excluding certain categories of the manufacturer's products or requiring prior authorization for reimbursement of products. Manufacturers are required to calculate and make rebate payments to the state Medicaid agency for the manufacturer's covered outpatient drugs reimbursed by the state during each quarter. Manufacturers are to be invoiced no later than sixty days after the end of each calendar quarter and are required to make payment for the calculated drug rebate directly to the state Medicaid program within 38 days of invoicing. For generic drugs, the rebate amount is currently 11% of Average Manufacturer Price (AMP). For single-source drugs, the rebate is the greater of 15% of AMP or the difference between the AMP and the manufacturer's "best price", plus CPI-U factors. Beginning in 2010, federal regulations increased the minimum rebate from 15% to 23% for single-source drugs. These same regulations also required that 100% of these increased rebates are remitted to the federal government, instead of being shared at the normal federal matching rate. The manufacturer has the option of disputing the calculated drug rebate amount if the manufacturer disagrees with the state's drug utilization data. The manufacturer is required to report the nature of the dispute to the state, and the state is then responsible for resolving the dispute through negotiation or a hearing process, if necessary. Approximately 37% of the total rebates collected are used as a state share funding source rather than using General Revenue funds. The approximate 63% federal share of the rebates collected are returned to the federal government.

Prior Authorization

Any covered outpatient drug can be subject to prior authorization. Effective August 1, 1992, a prior authorization (PA) process was implemented for certain specific drugs under the pharmacy program.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.435

Program Name: Pharmacy

Program is found in the following core budget(s): Pharmacy

Drug PA requests are received via telephone, fax or mail. All requests for drug PA must be initiated by a physician or authorized prescriber (advanced practice nurse) with prescribing authority for the drug category for which a PA is being requested. As specified in OBRA 90, drug PA programs must provide a response by telephone or other telecommunication device within 24 hours of receipt. All requests must include all required information. Requests received with insufficient information for review or received from someone other than a physician or authorized prescriber will not initiate a PA review nor the 24-hour response period. Drug PA requests received via telephone are keyed on-line and notification of approval will be given at the time of the call or by return fax or phone call. The MO HealthNet technicians who staff this hotline work through algorithms developed by the Drug Prior Authorization Committee with the assistance of UMKC-DIC School of Pharmacy. These algorithms are sets of questions used to make a determination to approve or deny the request. Making the prior authorization determination on-line allows the PA file to be updated immediately. For approvals, the requestor will be given an authorization period. Pharmacies may record this information for this purpose as well.

Board and Committee Support and Oversight

The MO HealthNet Division operates both prospective and retrospective Drug Utilization Review (DUR) as required by federal and state law. The DUR program is focused on educating health care providers in the appropriate use of medications and informing them of potential drug therapy problems found in the review of drug and diagnostic information obtained from MO HealthNet claims history. The DUR Board is central to all DUR program activities, and its duties and membership requirements are specified in state and federal law. DUR Board members are appointed by the Governor with advice and consent of the Senate, and its 13 members include six physicians, six pharmacists, and one quality assurance nurse. In an ongoing process, the DUR Board reviews and makes changes to the clinical therapeutic criteria used to generate prospective and retrospective DUR interventions. The DUR Board also advises the Division on other issues related to appropriate drug therapy and produces a quarterly newsletter for providers on selected drug topics. In addition to the Board, a Regional DUR Committee, comprised of physicians and pharmacists, evaluates individual participants' retrospective drug regimens and advises their providers on appropriate drug use or potentially problematic drug therapies.

The MO HealthNet Drug Prior Authorization (PA) Committee is established in state regulation. This advisory committee is charged with reviewing drugs and recommending those drugs which are appropriate for reimbursement as a regular benefit verses those which should be placed on prior authorization status. All such recommendations made by the Drug PA Committee are referred to the DUR Board, as they are the statutorily-appointed advisory group for final recommendation to the Division.

Cost Containment Initiatives

As a result of new drugs, rapidly changing prescribing patterns and increased expenditures in the MO HealthNet fee-for-service pharmacy program, the MO HealthNet program continues to implement a number of administrative measures to ensure the economic and efficient provision of the MO HealthNet pharmacy benefit. These strategies have been developed through recommendations from a number of sources, including affected state agencies, provider groups, and the pharmaceutical industry. The intent of these initiatives is to ensure that MO HealthNet participants get the right drug to meet their needs, in the right amount and for the right period of time. Examples of some of the cost containment initiatives include:

- Expanded Missouri Maximum Allowable Cost (MAC) list: The list of drugs for which the state agency has established a generic reimbursement limit will be monitored and expanded on a regular basis. A mechanism is in place to review existing MACs as well as identify new generic drugs for addition to this list as they become available. This optimizes generic utilization in the MO HealthNet program.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.435

Program Name: Pharmacy

Program is found in the following core budget(s): Pharmacy

- **Preferred Drug List (PDL):** The PDL utilizes information from various clinical sources, including the UMKC Drug Information Center, the Oregon Evidence-Based Drug Research Consortium, our clinical contractors, and our own clinical research team. Clinical information is paired with fiscal evaluation to develop a therapeutic class recommendation. The resulting PDL process incorporates clinical edits, including step therapies, into the prescription drug program. Clinical edits are designed to enhance patient care and optimize the use of program funds through therapeutically prudent use of pharmaceuticals. Point-of-sale (POS) pharmacy claims are routed through an automated computer system to apply edits specifically designed to ensure effective and appropriate drug utilization. The goal is to encourage cost effective therapy within the selected drug class.
- **Specialty Medications:** Specialty medications include high-cost injectable, infused, oral, or inhaled drugs that involve specific handling, supervision or monitoring. MO HealthNet will continue to review specialty medications within each of the therapeutic categories to identify clinical editing, preferred drug list (PDL) and prior authorization (PA) opportunities. MO HealthNet is focusing on opportunities to reduce expenditures without compromising participant outcomes. One example is the Missouri Maximum Allowable Cost (MAC) Pricing for Specialty Drugs. The MAC specialty program follows MO HealthNet pricing methodology, utilizing Wholesale Acquisition Cost (WAC) pricing generally available to providers as a basis for pricing the identified specialty medications. In accordance with MO HealthNet MAC program policy, MO HealthNet staff monitors and updates the more inclusive Missouri MAC list.
- **Edits - Dose Optimization:** Effective for dates of service on or after April 16, 2002, claims submitted to the MO HealthNet Pharmacy Program are subject to edits to identify claims for pharmacy services that fall outside expected patterns of use for certain products. Overrides to these edit denials can be processed through the help desk. Justification for utilization outside expected patterns, such as FDA approved labeling, is required for approval of such an override.
- **Pharmacy Provider Tax:** The Missouri General Assembly passed legislation establishing a tax on licensed retail pharmacies in Missouri for the privilege of providing outpatient prescription drugs. The Department of Social Services has notified each pharmacy of the amount of tax due. The tax began in 2002. Effective July 1, 2007, Missouri pharmacies were given an enhanced fee of \$4.82, for a total fee of \$9.66.

Effective for dates of service January 1, 2010 and beyond, the MO HealthNet Pharmacy Program began paying pharmacy providers a generic product preferred incentive fee. This program initiative will continue to emphasize the preference for generic utilization within the MO HealthNet pharmacy program by paying pharmacy providers an enhanced incentive fee of \$4.00 for each eligible claim.

- **Prior Authorization of All New Drugs:** Prior authorization is required for all new drug entities and new dosage forms of these products through existing drug entities that have been approved by the Food and Drug Administration and are available on the market. After identifying First Data Bank's weekly updates, the medications are reviewed for medical and clinical criteria along with pharmacoeconomic impact to the pharmacy program.
- **Diabetic Testing Supplies and Syringes:** In December 2003, the MHD moved diabetic testing supplies and syringes from the DME program to the pharmacy program, and initiated a single source diabetic testing supply initiative, continuing to encourage patient blood glucose testing while minimizing state expenditures. In April 2005, the pharmacy program moved to a multi-source diabetic testing supplies initiative. Diabetic testing supply products and syringes are now available in preferred status from multiple manufacturers, providing greater participant choice.
- **Enhanced Retrospective Drug Utilization:** Enhanced retrospective drug utilization involves retroactively reviewing population-based patterns of drug use to compare those patterns to approved therapeutic guidelines in order to determine the appropriateness of care, length of treatment, drug interaction, and other clinical issues.
- **Provider Audits:** Daily provider audits are performed by MHD/Wipro staff for the identification and resolution of potential recoupments.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.435

Program Name: Pharmacy

Program is found in the following core budget(s): Pharmacy

340b Drug Repricing

340b covered entities are eligible to purchase discounted drugs through the Public Health Service Act's 340b Drug Discount program. Examples of 340b entities include federally qualified health centers, hemophilia treatment centers, disproportionate share hospitals, sole community hospitals, AIDS drug assistance programs, and family planning clinics. The MHD is working collaboratively with stakeholders to encourage 340b participation by covered entities. By working with covered entities, savings from 340b pricing for MO HealthNet participants' prescriptions are shared with the Medicaid program.

Clinical Management Services Program (CMSP)

Through a contract with Xerox (formerly ACS-Heritage), MHD operates an innovative electronic web-based clinical editing process for its point-of-sale pharmacy and medical claims, medical and drug prior authorization, and Drug Utilization Review (DUR) processes. The current CMSP claim processing system allows each claim to be referenced against the participant's claims history including pharmacy, medical and procedural data (ICD-9 and CPT codes), providing real time data to participating MO HealthNet providers. For patients that meet approval criteria, the claim will be paid automatically. In instances when a phone call is necessary, the hotline call center is available seven days a week, which allows providers prompt access to a paid claim for the requested product or service. In addition to receiving messages regarding the outcome of the processing of claims and the amount to be reimbursed, pharmacy providers receive prospective drug use review alert messages at the time prescriptions are dispensed.

The contract with Xerox (formerly ACS-Heritage) utilizes their *CyberAccess*SM tool to create integrated patient profiles containing prescription information, as well as patient diagnoses and procedure codes for a running 24 months of history. *CyberAccess*SM provides: daily updated participant claims history profiles, identifying all drugs, procedures, related diagnoses and ordering providers from claims paid by MHD for a rolling 36 month period; and three years of point of service (POS) pharmacy claims refreshed every ten (10) minutes.

Point-of-Service Pharmacy

Claims are routed through Xerox's automated system to apply edits specifically designed to assure effective utilization of pharmaceuticals. The edits are founded on evidence-based clinical and nationally recognized expert consensus criteria. Claims will continue to be processed by Wipro for all other edits and final adjudication. After processing by Xerox and Wipro, the claim is sent back to the provider with a total processing time of approximately 10 seconds. Claims which are denied by the system edits will require an override from the existing help desk. Providers seeking an override must contact the help desk for approval, which will be granted if medically necessary.

Fiscal and Clinical Edits

This initiative optimizes the use of program funds and enhances patient care through improved use of pharmaceuticals. Since the implementation of the Omnibus Budget Reduction Act of 1990 (OBRA 90), education on the use of pharmaceuticals has been accomplished primarily through DUR. However, the prospective DUR alerts currently generated by the fiscal agent have been largely ignored by pharmacy providers as they are more general in nature and few are tied to claim reimbursement. Other third party payers have successfully utilized more extensive evidence based claims screening edits in an effort to control costs. These edits are applicable within the Medicaid program to achieve similar cost controls.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.435

Program Name: Pharmacy

Program is found in the following core budget(s): Pharmacy

Drug Utilization Review

This process is currently provided by Xerox and will be an extension of the current process with some enhancements. Under the new contract, this initiative will utilize the same database/computer system as the previously described components. This system uses a relational database capable of interfacing MO HealthNet paid claims history with flexible, high quality clinical evaluation criteria. The process is designed to identify high-risk drug use patterns among physicians, pharmacists, and beneficiaries, and to educate providers (prescribers and dispensers) in appropriate and cost-effective drug use. This process is capable of identifying providers prescribing and dispensing practices which deviate from defined standards, as well as generating provider profiles and ad hoc reports for specified provider and participant populations. The goal of the program is to maximize drug therapy and outcomes and optimize expenditures for health care.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Statute: RSMo. 208.152, 208.166, Federal law: Social Security Act Section 1902(a)(12), Federal regulation: 42 CFR 440.120

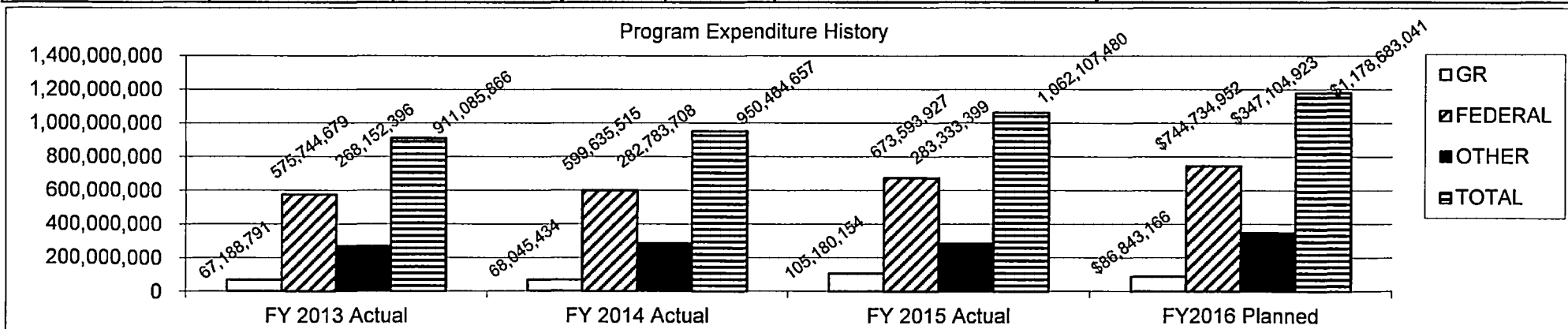
3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY16 is a blended 63.323% federal match. The state matching requirement is 36.677%.

4. Is this a federally mandated program? If yes, please explain.

Yes, for children if medically necessary health services are identified under the EPSDT program. This program is not federally mandated for adults.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2015 planned is net of reverted and reserved.

PROGRAM DESCRIPTION

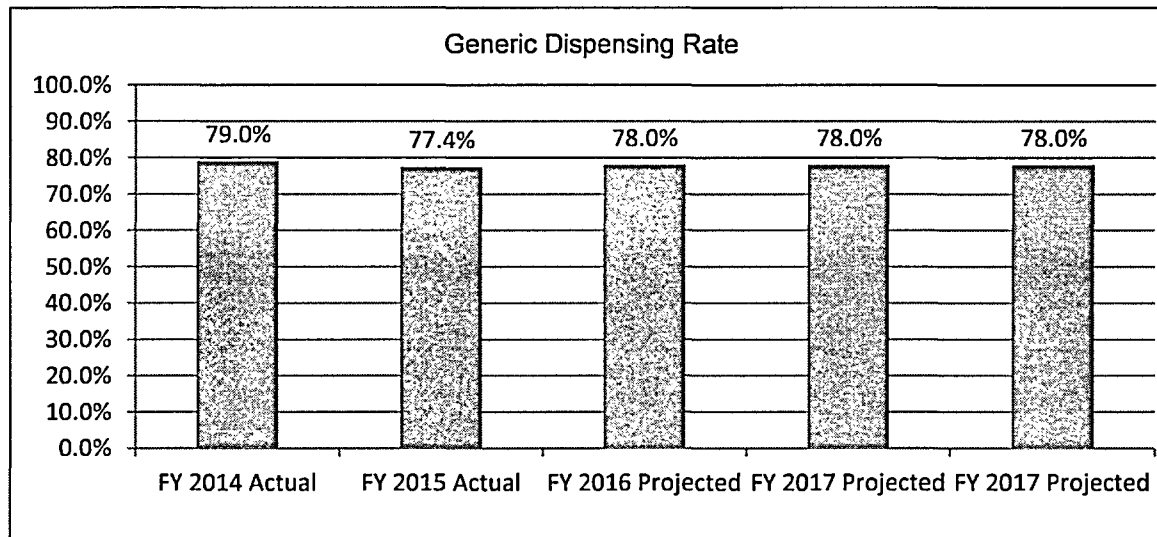
Department: Social Services
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

HB Section: 11.435

6. What are the sources of the "Other " funds?

Pharmacy Reimbursement Allowance Fund (0144), Pharmacy Rebates Fund (0114), Health Initiatives Fund (0275), Third Party Liability Fund (0120), Healthy Families Trust Fund (0625), Premium (0885) and Life Sciences Research Trust Fund (0763).

7a. Provide an effectiveness measure.



The generic dispensing rate is a measure of the percent of prescriptions filled with a generic medication.

7b. Provide an efficiency measure.

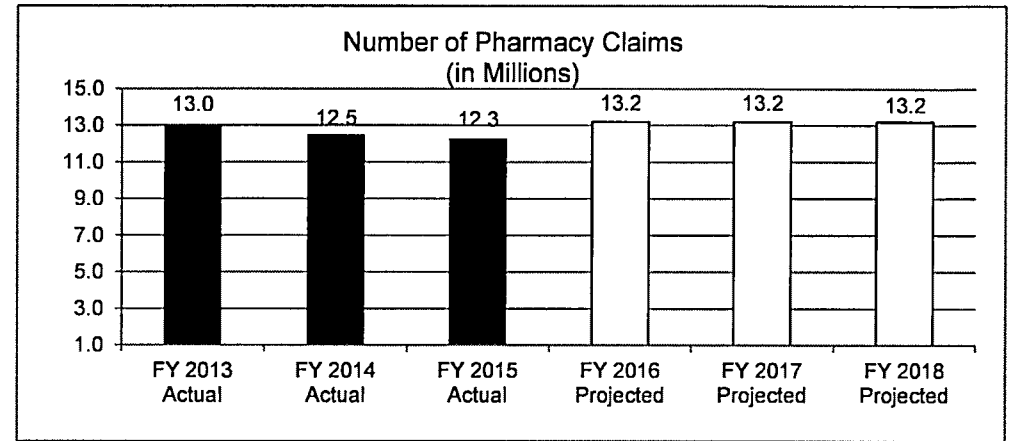
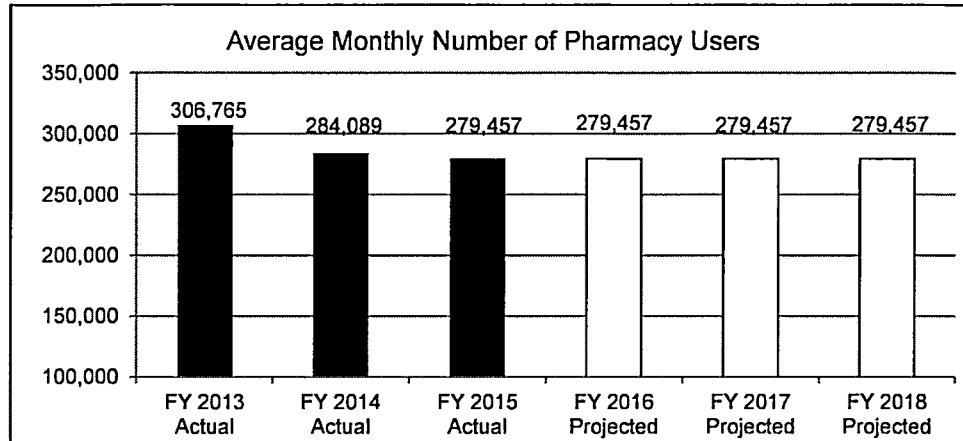
N/A

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

HB Section: 11.435

7c. Provide the number of clients/individuals served, if applicable.



7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|--|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| PHARMACY-MED PART D-CLAWBACK | | | | | | | | | |
| CORE | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 183,129,526 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 | |
| TOTAL - PD | 183,129,526 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 | |
| TOTAL | 183,129,526 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 15,557,082 | 0.00 | 15,345,257 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 15,557,082 | 0.00 | 15,345,257 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 15,557,082 | 0.00 | 15,345,257 | 0.00 | |
| Clawback Increase - 1886012 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 18,073,510 | 0.00 | 18,073,510 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 18,073,510 | 0.00 | 18,073,510 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 18,073,510 | 0.00 | 18,073,510 | 0.00 | |
| GRAND TOTAL | \$183,129,526 | 0.00 | \$177,600,212 | 0.00 | \$211,230,804 | 0.00 | \$211,018,979 | 0.00 | |

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im_disummary

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Pharmacy - Medicare Part D "Clawback"

Budget Unit: 90543C
HB Section: 11.435

1. CORE FINANCIAL SUMMARY

| | FY 2017 Budget Request | | | |
|--------------|------------------------|----------|----------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 177,600,212 | | | 177,600,212 |
| TRF | | | | |
| Total | 177,600,212 | 0 | 0 | 177,600,212 |

FTE 0.00

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

| | FY 2017 Governor's Recommendation | | | |
|--------------|-----------------------------------|---------|-------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 177,600,212 | | | 177,600,212 |
| TRF | | | | |
| Total | 177,600,212 | | | 177,600,212 |

FTE

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other funds:

2. CORE DESCRIPTION

This core request is for the continued funding of the Medicare Part D "Clawback". A portion of the Medicare Prescription Drug Act requires states to pay Medicare a portion of the cost of Part D drugs attributable to what would have been paid for by the state absent the Part D drug benefit.

3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy-Medicare Part D "Clawback"

CORE DECISION ITEM

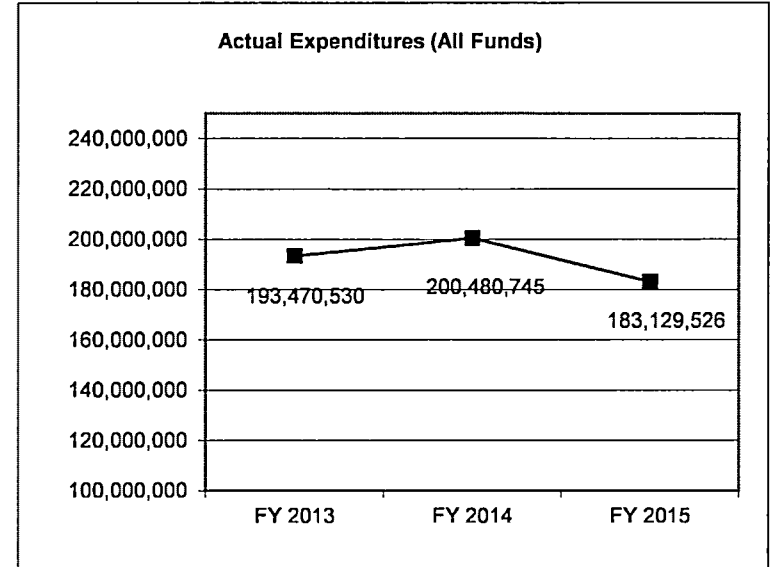
Department: Social Services
Division: MO HealthNet
Core: Pharmacy - Medicare Part D "Clawback"

Budget Unit: 90543C

HB Section: 11.435

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|
| Appropriation (All Funds) | 193,470,530 | 200,480,745 | 183,129,526 | 177,600,212 |
| Less Reverted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 186,236,499 | 200,480,745 | 183,129,526 | N/A |
| Actual Expenditures (All Funds) | 193,470,530 | 200,480,745 | 183,129,526 | N/A |
| Unexpended (All Funds) | 0 | 0 | 0 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 0 | 0 | 0 | N/A |
| Other | 0 | 0 | 0 | N/A |
| | (1) | (2) | (3) | |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY13 Estimated appropriation or "E" status was removed. \$2,379,722 from Supplemental Pool

(2) FY14 \$8,113,113 of expenditures are for Pharmacy.

(3) FY15 \$23,054,861 of expenditures are for Pharmacy.

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES

PHARMACY-MED PART D-CLAWBACK

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|-----------------------------|-----------------|------|-------------|---------|-------|-------------|-------------|
| <hr/> | | | | | | | |
| TAFP AFTER VETOES | PD | 0.00 | 177,600,212 | 0 | 0 | 177,600,212 | |
| | Total | 0.00 | 177,600,212 | 0 | 0 | 177,600,212 | |
| <hr/> | | | | | | | |
| DEPARTMENT CORE REQUEST | PD | 0.00 | 177,600,212 | 0 | 0 | 177,600,212 | |
| | Total | 0.00 | 177,600,212 | 0 | 0 | 177,600,212 | |
| <hr/> | | | | | | | |
| GOVERNOR'S RECOMMENDED CORE | PD | 0.00 | 177,600,212 | 0 | 0 | 177,600,212 | |
| | Total | 0.00 | 177,600,212 | 0 | 0 | 177,600,212 | |
| <hr/> | | | | | | | |

FLEXIBILITY REQUEST FORM

| BUDGET UNIT NUMBER: 90543C BUDGET UNIT NAME: Clawback HOUSE BILL SECTION: 11.435 | DEPARTMENT: Social Services DIVISION: MO HealthNet | | | | | | | | | | | | |
|--|---|------------------|-----------------------|------------------|-----------------------|------------------------------|---------------|-----|--------------|--|---------------|-----|--------------|
| 1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. | | | | | | | | | | | | | |
| DEPARTMENT REQUEST | | | | | | | | | | | | | |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%;">Core</th> <th style="width: 20%;">% Flex Requested</th> <th style="width: 30%;">Flex Requested Amount</th> </tr> </thead> <tbody> <tr> <td><i>Total Program Request</i></td> <td>\$177,600,212</td> <td>10%</td> <td>\$17,760,021</td> </tr> <tr> <td></td> <td>\$177,600,212</td> <td>25%</td> <td>\$17,760,022</td> </tr> </tbody> </table> | | | Core | % Flex Requested | Flex Requested Amount | <i>Total Program Request</i> | \$177,600,212 | 10% | \$17,760,021 | | \$177,600,212 | 25% | \$17,760,022 |
| | Core | % Flex Requested | Flex Requested Amount | | | | | | | | | | |
| <i>Total Program Request</i> | \$177,600,212 | 10% | \$17,760,021 | | | | | | | | | | |
| | \$177,600,212 | 25% | \$17,760,022 | | | | | | | | | | |
| 2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount. | | | | | | | | | | | | | |
| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | | | | | | | | | | | | |
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | | | | | | | | | | | | |
| BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | | | | | | | | | | | | | |
| 10% flexibility between sections and 25% flexibility between FFS and Managed Care is being requested for FY 17. | | | | | | | | | | | | | |
| 3. Please explain how flexibility was used in the prior and/or current years. | | | | | | | | | | | | | |
| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE | | | | | | | | | | | | |
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. | | | | | | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|------------------------------|---------------|---------|---------------|---------|---------------|----------|---------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY-MED PART D-CLAWBACK | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 183,129,526 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 |
| TOTAL - PD | 183,129,526 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 | 177,600,212 | 0.00 |
| GRAND TOTAL | \$183,129,526 | 0.00 | \$177,600,212 | 0.00 | \$177,600,212 | 0.00 | \$177,600,212 | 0.00 |
| GENERAL REVENUE | \$183,129,526 | 0.00 | \$177,600,212 | 0.00 | \$177,600,212 | 0.00 | \$177,600,212 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.435

Program Name: Pharmacy - Medicare Part D "Clawback"

Program is found in the following core budget(s): Pharmacy - Medicare Part D "Clawback"

1. What does this program do?

The Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003 required that all individuals who are eligible for both Medicare and MO HealthNet receive their prescription drugs through the Medicare Part D program. This change resulted in a significant shift in benefits for elderly and disabled dual eligible participants because they receive their drugs through a prescription drug plan (PDP) rather than through the state's MO HealthNet program.

The federal government refers to this payment as the "Phased-down State Contribution", while Missouri refers to the payment as the "clawback". This clawback payment is, in effect, a funding source for the Medicare Part D program. In fact, it uses the General Revenue that the state would have paid for the dual eligible MO HealthNet pharmacy benefit for funding the Part D program.

States are required to make a monthly payment to the federal government to re-direct the money that the states would have spent on providing prescription drugs to participants in the MO HealthNet program. The clawback consists of a monthly calculation based on the combination of (a) the state's per capita spending on prescription drugs in 2003, (b) the state's federal Medicaid match rate, (c) the number of dual eligible's residing in the state, and (d) a "phase-down percentage" of state savings to be returned to the federal government beginning with 90% in 2006 and phasing down to 75% in 2015. The phased-down percentage for CY 2017 is at the floor of 75.00%.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003, P.L. 108-173.

3. Are there federal matching requirements? If yes, please explain.

No.

4. Is this a federally mandated program? If yes, please explain.

Yes. All States, including Missouri, are required to make a monthly payment to the federal government to re-direct the money that the states would have spent on providing prescription drugs to participants in MO HealthNet.

PROGRAM DESCRIPTION

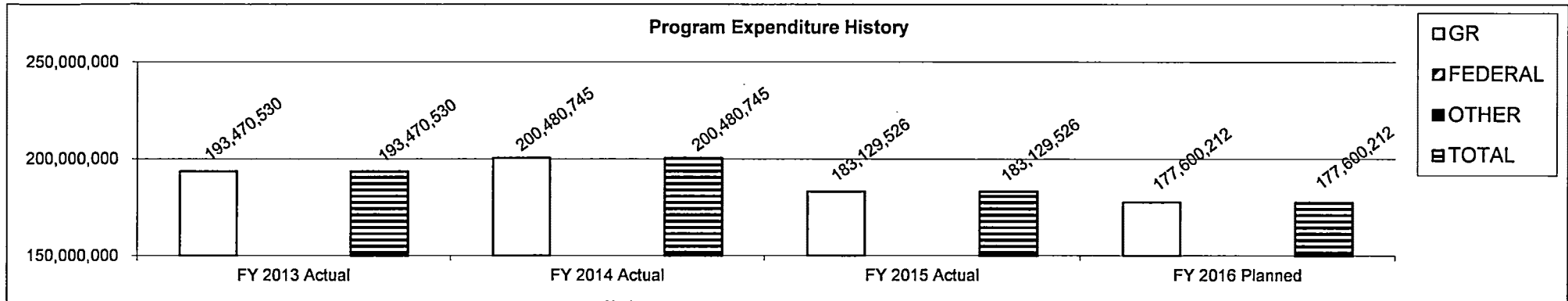
Department: Social Services

HB Section: 11.435

Program Name: Pharmacy - Medicare Part D "Clawback"

Program is found in the following core budget(s): Pharmacy - Medicare Part D "Clawback"

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

N/A

7a. Provide an effectiveness measure.

N/A

7b. Provide an efficiency measure.

N/A

PROGRAM DESCRIPTION

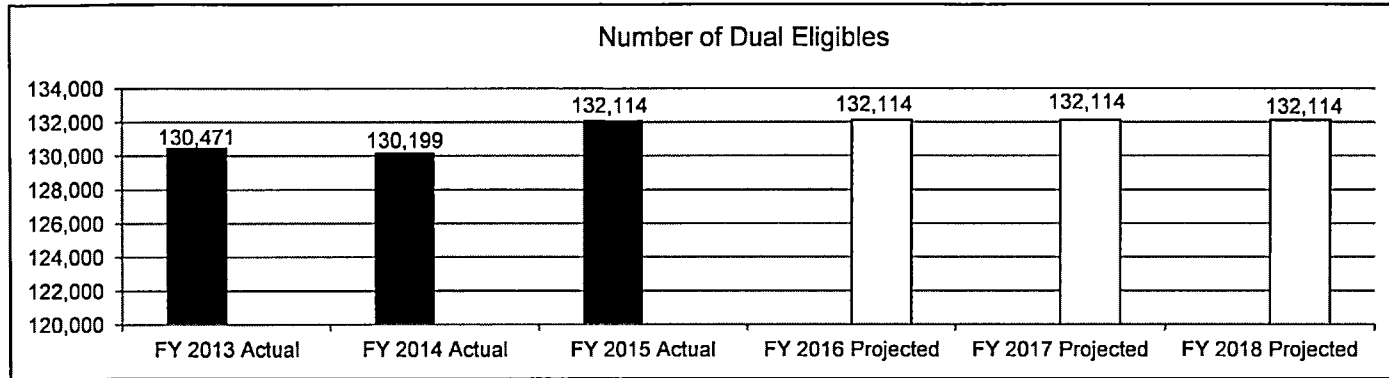
Department: Social Services

HB Section: 11.435

Program Name: Pharmacy - Medicare Part D "Clawback"

Program is found in the following core budget(s): Pharmacy - Medicare Part D "Clawback"

7c. Provide the number of clients/individuals served, if applicable.



7d. Provide a customer satisfaction measure, if available.

N/A

NEW DECISION ITEM
RANK: 15 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: Clawback Increase

Budget Unit: 90543C
HB Section: 11.435

DI# 1886012

1. AMOUNT OF REQUEST

| FY 2017 Budget Request | | | | |
|------------------------|-------------------|---------|-------|-------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 18,073,510 | | | 18,073,510 |
| TRF | | | | |
| Total | <u>18,073,510</u> | | | <u>18,073,510</u> |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|----------|----------|----------|----------|
| Est. Fringe | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|-------------------|---------|-------|-------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 18,073,510 | | | 18,073,510 |
| TRF | | | | |
| Total | <u>18,073,510</u> | | | <u>18,073,510</u> |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|----------|----------|----------|----------|
| Est. Fringe | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|---|--|--|
| <input checked="" type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input type="checkbox"/> Other: | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: *To provide for the anticipated increase in the Medicare Part D Clawback payment.*

This decision item requests increased funding in General Revenue needed for the payment of the Medicare Part D Clawback, as calculated by the Centers for Medicare and Medicaid Services (CMS). The Medicare Prescription Drugs Act requires states to pay Medicare a portion of the cost of Part D drugs attributable to what would have been paid for by the state absent the Part D drug benefit.

NEW DECISION ITEM
RANK: 15 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: Clawback Increase

Budget Unit: 90543C
HB Section: 11.435

DI# 1886012

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The calculation for the MO HealthNet Clawback payment is shown below. There is no projected caseload growth; therefore, the increase is based entirely on the rate change. The clawback assessment rate is provided by CMS. The May assessment is included in the calculation because the assessment is paid two months in arrears. The number of duals is the average duals for the period April 2015 through July 2015. The clawback rate is revised by CMS each January. The May through December 2016 clawback rate is based on the most current CMS estimate. The January through April 2017 clawback rate assumes a 4% increase.

| | #of duals | Clawback Rate | Monthly Clawback Amount |
|----------------|------------------|-------------------|-------------------------|
| May 2016 | 133,783 | \$129.60 | \$17,338,277 |
| June 2016 | 133,783 | \$129.60 | \$17,338,277 |
| July 2016 | 133,783 | \$129.60 | \$17,338,277 |
| August 2016 | 133,783 | \$129.60 | \$17,338,277 |
| September 2016 | 133,783 | \$129.60 | \$17,338,277 |
| October 2016 | 133,783 | \$129.99 | \$17,390,452 |
| November 2016 | 133,783 | \$129.99 | \$17,390,452 |
| December 2016 | 133,783 | \$129.99 | \$17,390,452 |
| January 2017 | 133,783 | \$135.19 | \$18,086,124 |
| February 2017 | 133,783 | \$135.19 | \$18,086,124 |
| March 2017 | 133,783 | \$135.19 | \$18,086,124 |
| April 2017 | 133,783 | \$135.19 | \$18,086,124 |
| | <u>1,471,613</u> | | <u>\$211,207,236</u> |
| | | Available: | \$193,133,726 |
| | | Need: | \$18,073,510 |

**The Governor recommended as requested.*

NEW DECISION ITEM
RANK: 15 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: Clawback Increase

Budget Unit: 90543C
HB Section: 11.435

DI# 1886012

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One- Time DOLLARS |
|-------------------------------|------------------------|--------------------|----------------------------|---------------------|------------------------------|--------------------------|------------------------------|-----------------------|----------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 18,073,510 | | | | | | 18,073,510 | | |
| Total PSD | 18,073,510 | | 0 | | 0 | | 18,073,510 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 18,073,510 | 0.0 | 0 | 0.0 | 0 | 0.0 | 18,073,510 | 0.0 | 0 |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|-----------------------|-------------------|---------------------------|--------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|--------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 18,073,510 | | | | | | 18,073,510 | | |
| Total PSD | 18,073,510 | | 0 | | 0 | | 18,073,510 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 18,073,510 | 0.0 | 0 | 0.0 | 0 | 0.0 | 18,073,510 | 0.0 | 0 |

NEW DECISION ITEM
RANK: 15 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: Clawback Increase

DI# 1886012

Budget Unit: 90543C
HB Section: 11.435

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

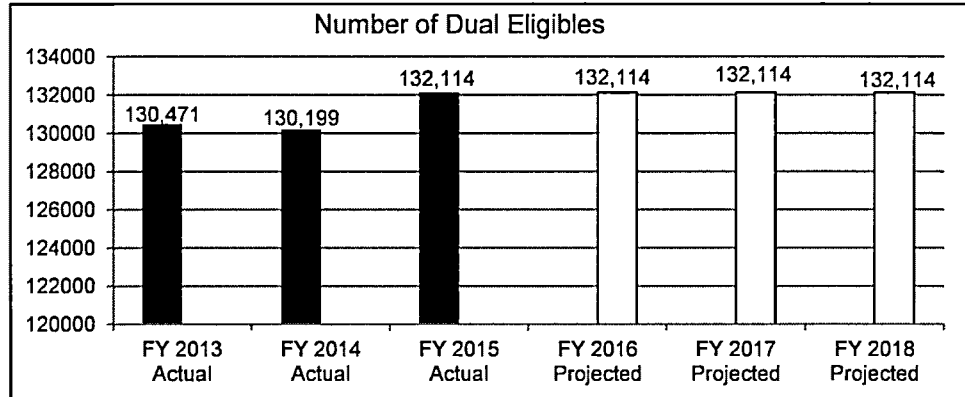
6a. Provide an effectiveness measure.

N/A

6b. Provide an efficiency measure.

N/A

6c. Provide the number of clients/individuals served, if applicable.



6d. Provide a customer satisfaction measure, if available.

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-------------------------------------|------------|-------------|------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY-MED PART D-CLAWBACK | | | | | | | | |
| Clawback Increase - 1886012 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 18,073,510 | 0.00 | 18,073,510 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 18,073,510 | 0.00 | 18,073,510 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$18,073,510 | 0.00 | \$18,073,510 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$18,073,510 | 0.00 | \$18,073,510 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | |
|----------------------------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MISSOURI RX PLAN | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 6,370,046 | 0.00 | 17,003,822 | 0.00 | 17,003,822 | 0.00 | 17,003,822 | 0.00 |
| HEALTHY FAMILIES TRUST | 4,838,657 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| MISSOURI RX PLAN FUND | 10,918,958 | 0.00 | 6,982,425 | 0.00 | 4,655,326 | 0.00 | 4,655,326 | 0.00 |
| TOTAL - PD | 22,127,661 | 0.00 | 23,986,247 | 0.00 | 21,659,148 | 0.00 | 21,659,148 | 0.00 |
| TOTAL | 22,127,661 | 0.00 | 23,986,247 | 0.00 | 21,659,148 | 0.00 | 21,659,148 | 0.00 |
| MO Rx GR Pickup - 1886005 | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 2,327,099 | 0.00 | 2,327,099 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 2,327,099 | 0.00 | 2,327,099 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 2,327,099 | 0.00 | 2,327,099 | 0.00 |
| GRAND TOTAL | \$22,127,661 | 0.00 | \$23,986,247 | 0.00 | \$23,986,247 | 0.00 | \$23,986,247 | 0.00 |

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lm_disummary

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Missouri Rx Plan

Budget Unit: 90538C

HB Section: 11.435

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | |
|------------------------|-------------------|----------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 17,003,822 | | 4,655,326 | 21,659,148 |
| TRF | | | | |
| Total | 17,003,822 | 0 | 4,655,326 | 21,659,148 |
| FTE | | | | 0.00 |

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Missouri Rx Plan Fund (0779)

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|-------------------|----------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 17,003,822 | | 4,655,326 | 21,659,148 |
| TRF | | | | |
| Total | 17,003,822 | 0 | 4,655,326 | 21,659,148 |
| FTE | | | | 0.00 |

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Missouri Rx Plan Fund (0779)

2. CORE DESCRIPTION

The Missouri Rx Plan provides certain pharmaceutical benefits to certain low-income elderly and disabled residents of the state; facilitates coordination of benefits between the Missouri Rx plan and the federal Medicare Part D drug benefit program established by the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA), P.L. 108-173; and enrolls individuals in the program.

3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy services under MMA - Part D

CORE DECISION ITEM

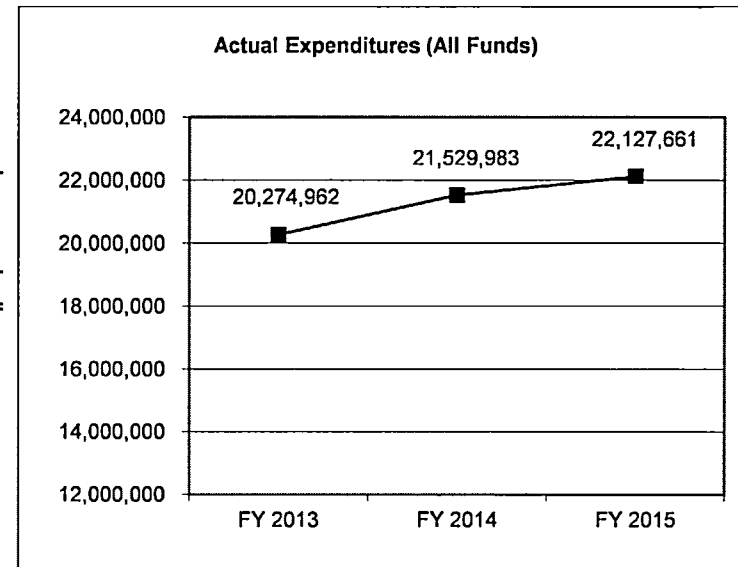
Department: Social Services
Division: MO HealthNet
Core: Missouri Rx Plan

Budget Unit: 90538C

HB Section: 11.435

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|
| Appropriation (All Funds) | 24,385,543 | 23,753,091 | 23,753,091 | 23,986,247 |
| Less Reverted (All Funds) | 0 | (191,101) | 0 | N/A |
| Budget Authority (All Funds) | 21,672,666 | 24,385,543 | 23,753,091 | N/A |
| Actual Expenditures (All Funds) | 20,274,962 | 21,529,983 | 22,127,661 | N/A |
| Unexpended (All Funds) | 4,110,581 | 2,032,007 | 1,625,430 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 211,027 | 0 | N/A |
| Federal | 0 | 0 | 0 | N/A |
| Other | 4,110,581 | 1,820,980 | 1,625,430 | N/A |
| | (1) | (2) | (3) | |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY13 Estimated appropriation or "E" was removed.

(2) FY14 GR lapse of \$211,027 due to fund switches for reduced availability of GR.

(3) FY15 GR lapse of \$1,625,430 from the MO Rx Fund due to shortfall in revenue to the fund.

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES

MISSOURI RX PLAN

5. CORE RECONCILIATION DETAIL

| | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|------------------------------------|--------------|-----------------|-------------|-------------------|----------|--------------------|--------------------|---|
| TAFP AFTER VETOES | | | | | | | | |
| | PD | | 0.00 | 17,003,822 | 0 | 6,982,425 | 23,986,247 | |
| | Total | | 0.00 | 17,003,822 | 0 | 6,982,425 | 23,986,247 | |
| DEPARTMENT CORE ADJUSTMENTS | | | | | | | | |
| Core Reduction | 224 1024 | PD | 0.00 | 0 | 0 | (2,327,099) | (2,327,099) | Core reduction of MO Rx Fund excess authority - corresponding GR Pickup NDI |
| NET DEPARTMENT CHANGES | | | 0.00 | 0 | 0 | (2,327,099) | (2,327,099) | |
| DEPARTMENT CORE REQUEST | | | | | | | | |
| | PD | | 0.00 | 17,003,822 | 0 | 4,655,326 | 21,659,148 | |
| | Total | | 0.00 | 17,003,822 | 0 | 4,655,326 | 21,659,148 | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | | |
| | PD | | 0.00 | 17,003,822 | 0 | 4,655,326 | 21,659,148 | |
| | Total | | 0.00 | 17,003,822 | 0 | 4,655,326 | 21,659,148 | |

FLEXIBILITY REQUEST FORM

| BUDGET UNIT NUMBER: 90538C BUDGET UNIT NAME: MO Rx Program HOUSE BILL SECTION: 11.435 | DEPARTMENT: Social Services DIVISION: MO HealthNet | | | | | | | | | | | | |
|--|---|---|-----------------------|------------------|-----------------------|------------------------------|--------------|-----|-------------|--|--------------|-----|-------------|
| 1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. | | | | | | | | | | | | | |
| DEPARTMENT REQUEST | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 20px;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: center;">Core</th> <th style="width: 20%; text-align: center;">% Flex Requested</th> <th style="width: 30%; text-align: center;">Flex Requested Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;"><i>Total Program Request</i></td> <td style="text-align: right;">\$23,986,247</td> <td style="text-align: center;">10%</td> <td style="text-align: right;">\$2,398,625</td> </tr> <tr> <td></td> <td style="text-align: right;">\$23,986,247</td> <td style="text-align: center;">25%</td> <td style="text-align: right;">\$5,996,562</td> </tr> </tbody> </table> | | | Core | % Flex Requested | Flex Requested Amount | <i>Total Program Request</i> | \$23,986,247 | 10% | \$2,398,625 | | \$23,986,247 | 25% | \$5,996,562 |
| | Core | % Flex Requested | Flex Requested Amount | | | | | | | | | | |
| <i>Total Program Request</i> | \$23,986,247 | 10% | \$2,398,625 | | | | | | | | | | |
| | \$23,986,247 | 25% | \$5,996,562 | | | | | | | | | | |
| 2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount. | | | | | | | | | | | | | |
| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | | | | | | | | | | | |
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | 10% flexibility between sections and 25% flexibility between FFS and Managed Care is being requested for FY 17. | | | | | | | | | | | |
| 3. Please explain how flexibility was used in the prior and/or current years. | | | | | | | | | | | | | |
| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE | | | | | | | | | | | | |
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. | | | | | | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-------------------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MISSOURI RX PLAN | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 22,127,661 | 0.00 | 23,986,247 | 0.00 | 21,659,148 | 0.00 | 21,659,148 | 0.00 |
| TOTAL - PD | 22,127,661 | 0.00 | 23,986,247 | 0.00 | 21,659,148 | 0.00 | 21,659,148 | 0.00 |
| GRAND TOTAL | \$22,127,661 | 0.00 | \$23,986,247 | 0.00 | \$21,659,148 | 0.00 | \$21,659,148 | 0.00 |
| GENERAL REVENUE | \$6,370,046 | 0.00 | \$17,003,822 | 0.00 | \$17,003,822 | 0.00 | \$17,003,822 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$15,757,615 | 0.00 | \$6,982,425 | 0.00 | \$4,655,326 | 0.00 | \$4,655,326 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Missouri Rx Plan
Program is found in the following core budget(s): Missouri Rx Plan

HB Section: 11.435

1. What does this program do?

SB 539 (2005) established a state pharmaceutical assistance program known as the Missouri Rx (MORx) Plan. The purpose of this program is to coordinate pharmaceutical benefits between the MORx plan and the federal Medicare Part D drug program for Medicare/Medicaid full dual eligibles, partial duals and other elderly and disabled Missourians below 185% of the Federal Poverty Level (FPL). Subject to appropriation, the MORx plan pays 50% of members' out of pocket costs remaining after their Medicare Prescription Drug Plan pays. MORx pays for 50% of the deductible, 50% of the co-pays before the coverage gap, 50% of the coverage gap and 50% of the co-pays in the catastrophic coverage.

MORx works with all Medicare Part D plans to provide members with drug coverage.

The MORx program has been reauthorized by the General Assembly through August 28, 2017.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.780 through 208.798; Federal law: Medicare Prescription Drug Improvement and Modernization Act of 2003, P.L. 108-173.

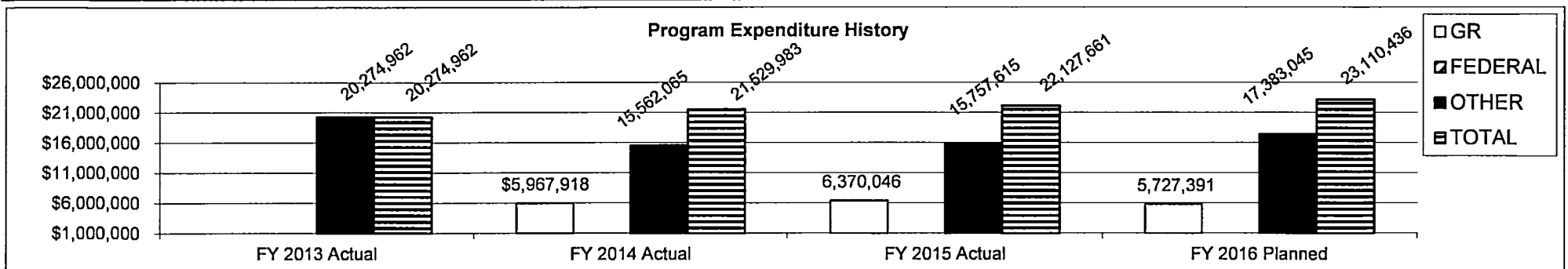
3. Are there federal matching requirements? If yes, please explain.

No. This program is funded with 100% state sources.

4. Is this a federally mandated program? If yes, please explain.

No.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

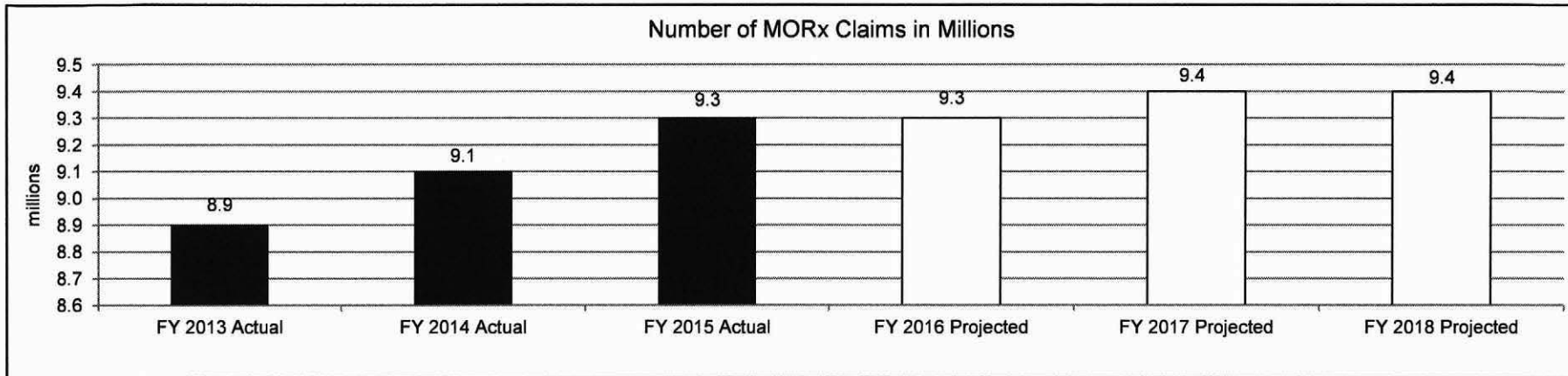


FY 2016 planned is a net of reverted and reserves.

6. What are the sources of the "Other " funds?

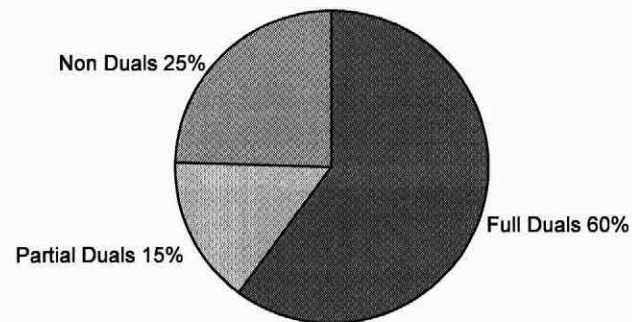
Missouri Rx Plan Fund (0779)

7a. Provide an effectiveness measure.

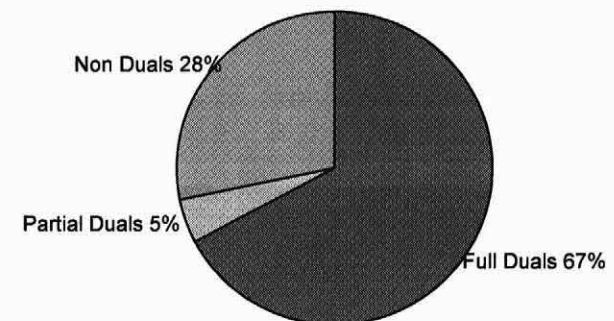


Most MORx members receive extra help with their prescription drug costs through the federal government's Low Income Subsidy Program (LIS). With the MORx wrap-around benefit, their cost was \$3.30 or less for each prescription for calendar year 2015.

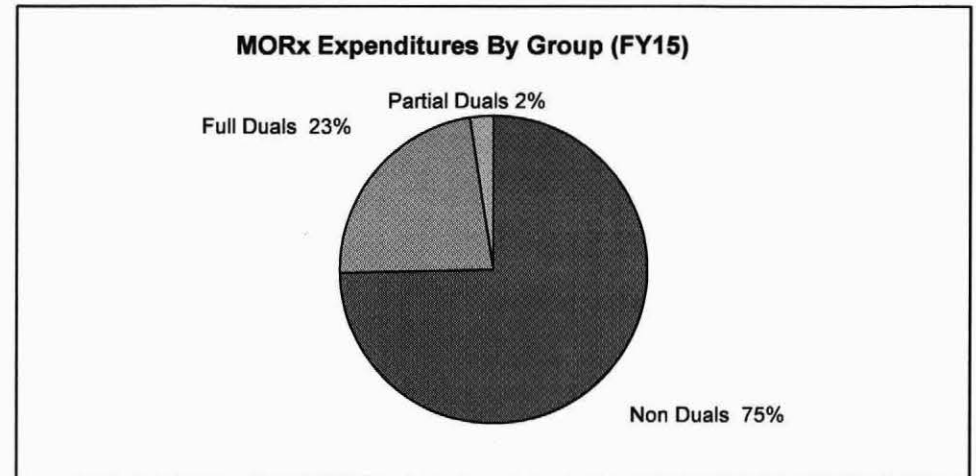
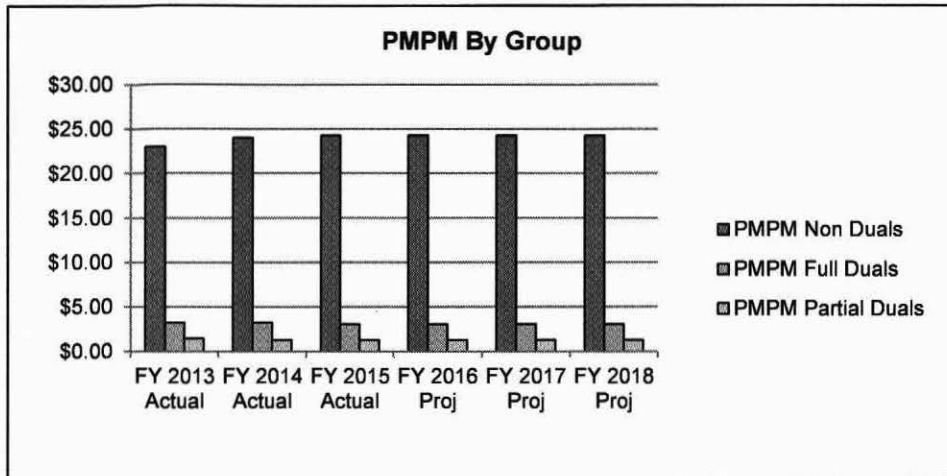
MORx Eligibility by Groups (FY15)



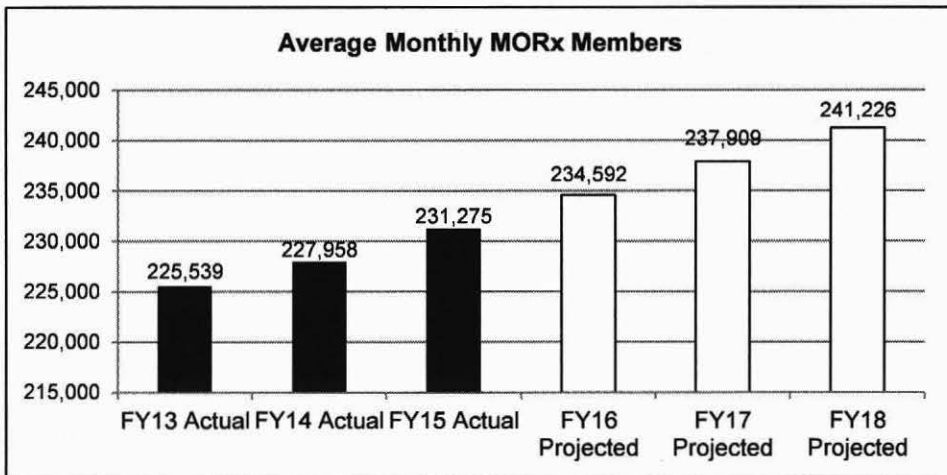
MORx Claims by Groups (FY15)



7b. Provide an efficiency measure.



7c. Provide the number of clients/individuals served, if applicable.



7d. Provide a customer satisfaction measure, if available.

N/A

NEW DECISION ITEM
RANK: 9 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: MORx GR Pickup

DI# 1886005

Budget Unit 90538C

House Bill 11.435

1. AMOUNT OF REQUEST

| FY 2017 Budget Request | | | | |
|------------------------|------------------|----------|----------|------------------|
| | GR | Federal | Other | Total |
| PS | | | | 0 |
| EE | | | | 0 |
| PSD | 2,327,099 | | | 2,327,099 |
| TRF | | | | 0 |
| Total | 2,327,099 | 0 | 0 | 2,327,099 |
| | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|------------------|---------|-------|------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 2,327,099 | | | 2,327,099 |
| TRF | | | | |
| Total | 2,327,099 | | | 2,327,099 |
| | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|--|--|--|
| <input type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input checked="" type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input type="checkbox"/> Other: | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: This NDI seeks general revenue to fully fund the MORx program.

This decision item seeks general revenue to sufficiently fund the MORx program due to a cash shortfall in the Missouri Rx Plan Fund.

The MORx Plan Fund is not projected to have sufficient revenues to fund the MORx Program in FY17. General revenue is requested for this shortfall of \$2.3 million

State Statute: 208.780 - 208.798 RSMo.

NEW DECISION ITEM

RANK: 9 OF 29

Department: Social Services

Budget Unit: 90538C

Division: MO HealthNet

DI Name: MORx GR Pickup

DI# 1886005

HB Section: 11.435

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

The MORx Plan Fund is not projected to have sufficient revenues to fund the MORx Program in FY17. General revenue is requested for this shortfall of \$2.3 million. The source of revenue for the MO Rx Fund are pharmacy rebates for the prescriptions to MO Rx participants. The state does not receive any rebate for generic drugs. As the utilization of generic drugs increases, the amount the state receives for rebates also declines.

| 5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS. | | | | | | | | | |
|---|------------------------------------|--------------------------------|-------------------------------------|---------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|--|
| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 2,327,099 | | | | | | 2,327,099 | | |
| Total PSD | 2,327,099 | | 0 | | 0 | | 2,327,099 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 2,327,099 | 0.0 | 0 | 0.0 | 0 | 0.0 | 2,327,099 | 0.0 | 0 |

NEW DECISION ITEM

RANK: 9 OF 29

Department: Social Services

Budget Unit: 90538C

Division: MO HealthNet

DI Name: MORx GR Pickup

DI# 1886005

HB Section: 11.435

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|--------------------------|----------------------|---------------------------|-----------------------|-----------------------------|----------------------|-----------------------------|-------------------------|--------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 2,327,099 | | | | | | 2,327,099 | | |
| Total PSD | 2,327,099 | | 0 | | 0 | | 2,327,099 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 2,327,099 | 0.0 | 0 | 0.0 | 0 | 0.0 | 2,327,099 | 0.0 | 0 |

NEW DECISION ITEM
RANK: 9 OF 29

Department: Social Services
Division: MO HealthNet
DI Name: MORx GR Pickup

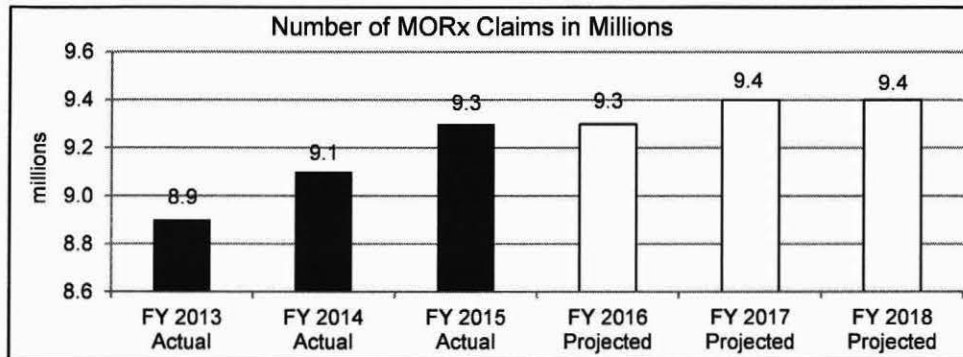
DI# 1886005

Budget Unit: 90538C

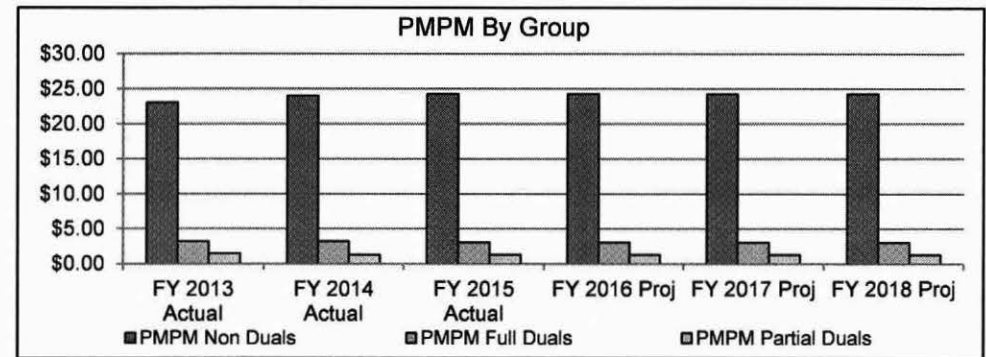
HB Section: 11.435

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional

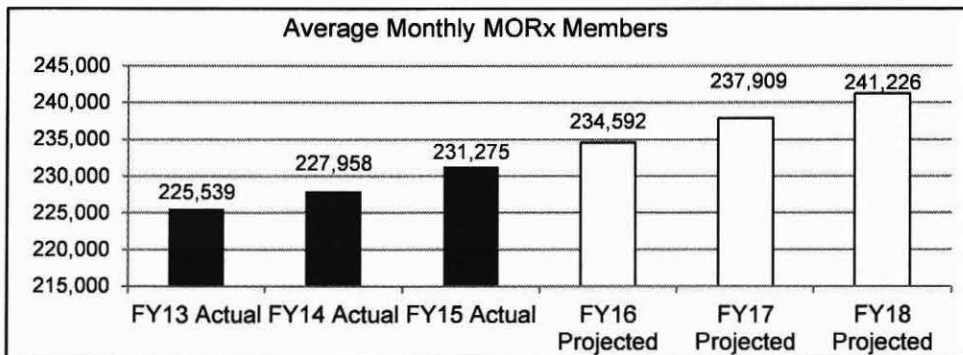
6a. Provide an effectiveness measure.



6b. Provide an efficiency measure.



6c. Provide the number of clients/individuals served, if applicable.



6d. Provide a customer satisfaction measure, if available.

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------------|------------|-------------|------------|-------------|--------------------|-------------|--------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| MISSOURI RX PLAN | | | | | | | | |
| MO Rx GR Pickup - 1886005 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 2,327,099 | 0.00 | 2,327,099 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 2,327,099 | 0.00 | 2,327,099 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$2,327,099 | 0.00 | \$2,327,099 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$2,327,099 | 0.00 | \$2,327,099 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|--------------------------------|---------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| PHARMACY FRA | | | | | | | | | |
| CORE | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| PHARMACY REIMBURSEMENT ALLOWAN | 91,056,955 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | |
| TOTAL - PD | 91,056,955 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | |
| TOTAL | 91,056,955 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | |
| GRAND TOTAL | \$91,056,955 | 0.00 | \$108,308,926 | 0.00 | \$108,308,926 | 0.00 | \$108,308,926 | 0.00 | |

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CORE DECISION ITEM

Department: Social Services

Division: MO HealthNet

Core: Pharmacy Federal Reimbursement Allowance (PFRA) Payments

Budget Unit: 90542C

HB Section: 11.440

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | |
|------------------------|----|---------|-------------|-------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | | | 108,308,926 | 108,308,926 |
| TRF | | | | |
| Total | | | 108,308,926 | 108,308,926 |

FTE 0.00

| | | | | |
|-------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|-------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|----|---------|-------------|-------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | | | 108,308,926 | 108,308,926 |
| TRF | | | | |
| Total | | | 108,308,926 | 108,308,926 |

FTE 0.00

| | | | | |
|-------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|-------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)

2. CORE DESCRIPTION

This core request is for ongoing funding for payments for pharmacy services for Title XIX participants. Funds from this core are used to provide enhanced dispensing fee payment rates using the Pharmacy Federal Reimbursement Allowance under the Title XIX of the Social Security Act as a General Revenue equivalent. Pharmacies are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent, and when used to make valid Medicaid payments, can earn federal Medicaid matching funds. These earnings fund the PFRA program appropriation and the Pharmacy appropriation.

3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy Federal Reimbursement Allowance (PFRA) Program

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Pharmacy Federal Reimbursement Allowance (PFRA) Payments

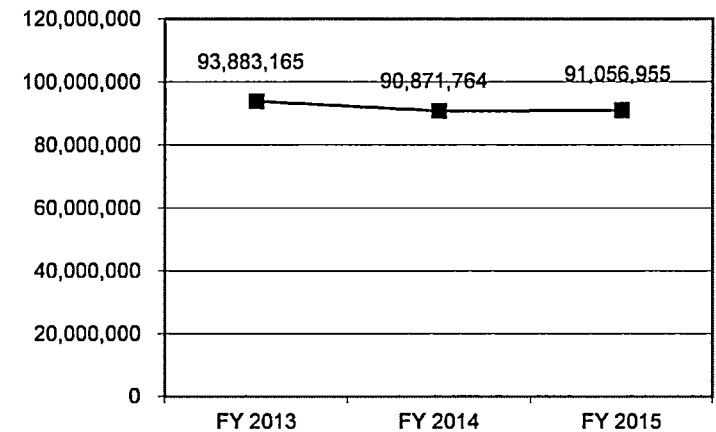
Budget Unit: 90542C
HB Section: 11.440

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|
| Appropriation (All Funds) | 108,308,926 | 108,308,926 | 108,308,926 | 108,308,926 |
| Less Reverted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 108,308,926 | 108,308,926 | 108,308,926 | N/A |
| Actual Expenditures (All Funds) | 93,883,165 | 90,871,764 | 91,056,955 | N/A |
| Unexpended (All Funds) | 14,425,761 | 17,437,162 | 17,251,971 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 0 | 0 | 0 | N/A |
| Other | 14,425,761 | 17,437,162 | 17,251,971 | N/A |

(1)

Actual Expenditures (All Funds)



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY13 Appropriation increased due to estimated appropriation or "E" status being removed.

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES

PHARMACY FRA

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|-----------------------------|-----------------|------|----|---------|-------------|-------------|-------------|
| <hr/> | | | | | | | |
| TAFP AFTER VETOES | PD | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | |
| | Total | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | |
| <hr/> | | | | | | | |
| DEPARTMENT CORE REQUEST | PD | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | |
| | Total | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | |
| <hr/> | | | | | | | |
| GOVERNOR'S RECOMMENDED CORE | PD | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | |
| | Total | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | |
| <hr/> | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------|--------------|---------|---------------|---------|---------------|----------|---------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHARMACY FRA | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 91,056,955 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 |
| TOTAL - PD | 91,056,955 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 |
| GRAND TOTAL | \$91,056,955 | 0.00 | \$108,308,926 | 0.00 | \$108,308,926 | 0.00 | \$108,308,926 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| OTHER FUNDS | \$91,056,955 | 0.00 | \$108,308,926 | 0.00 | \$108,308,926 | 0.00 | \$108,308,926 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.440

Program Name: Pharmacy Federal Reimbursement Allowance (PFRA) Payments

Program is found in the following core budget(s): Pharmacy Federal Reimbursement Allowance (PFRA)

1. What does this program do?

Pharmacies are assessed a provider tax for the privilege of doing business in the state of Missouri. The assessment is a General Revenue equivalent, and when used to make valid Medicaid payments, can earn federal Medicaid matching funds. These earnings fund the Pharmacy Federal Reimbursement Allowance (PFRA) program. This program provides funding to pay enhanced fees to pharmacies using the Pharmacy Federal Reimbursement Allowance Fund as a General Revenue equivalent.

The PFRA program has been reauthorized by the General Assembly through June 30, 2016.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 338.500; Federal law: Social Security Act Section 1903(w); Federal Regulation: 42 CFR 433 Subpart B

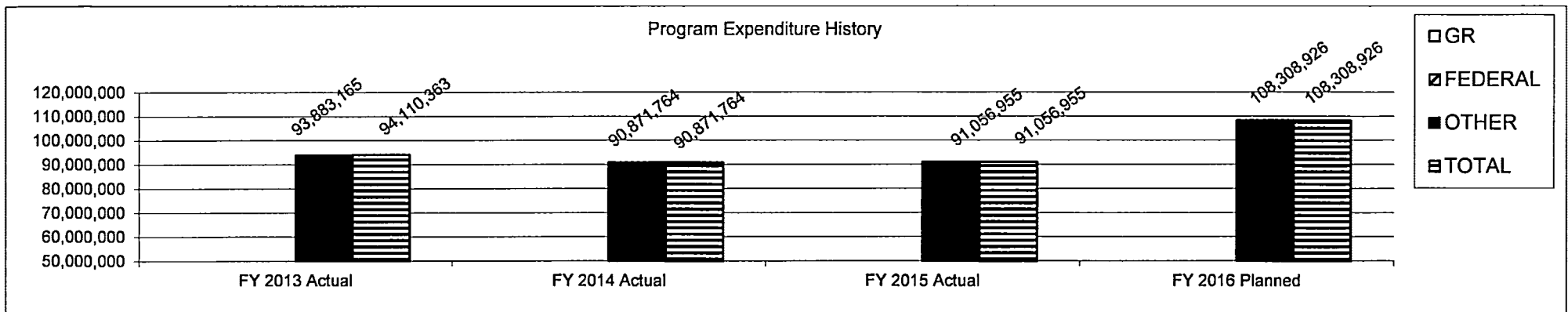
3. Are there federal matching requirements? If yes, please explain.

States can earn the federal dollars on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY16 is a blended 63.323% federal match. The state matching requirement is 36.677%.

4. Is this a federally mandated program? If yes, please explain.

No.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.440

Program Name: Pharmacy Federal Reimbursement Allowance (PFRA) Payments

Program is found in the following core budget(s): Pharmacy Federal Reimbursement Allowance (PFRA)

6. What are the sources of the "Other " funds?

Pharmacy Federal Reimbursement Allowance (0144)

7a. Provide an effectiveness measure.

N/A

7b. Provide an efficiency measure.

| Pharmacy FRA Tax Assessments Revenues Obtained to Draw Federal Dollars | |
|---|----------------------|
| SFY | Assessments |
| 2013 | \$97.5 mil |
| 2014 | \$93.6 mil |
| 2015 | \$89.1 mil |
| 2016 | \$98.8 mil estimated |
| 2017 | \$98.8 mil estimated |
| 2018 | \$98.8 mil estimated |

7c. Provide the number of clients/individuals served, if applicable.

N/A

7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|---|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| PHYSICIAN RELATED PROF | | | | | | | | | |
| CORE | | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | | |
| GENERAL REVENUE | 1,612,067 | 0.00 | 1,705,342 | 0.00 | 1,705,342 | 0.00 | 1,705,342 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 1,587,402 | 0.00 | 1,915,395 | 0.00 | 1,915,395 | 0.00 | 1,915,395 | 0.00 | |
| HEALTH INITIATIVES | 173,895 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | |
| TOTAL - EE | 3,373,364 | 0.00 | 3,620,737 | 0.00 | 3,620,737 | 0.00 | 3,620,737 | 0.00 | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 201,001,257 | 0.00 | 84,113,271 | 0.00 | 84,763,271 | 0.00 | 78,324,833 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 456,457,944 | 0.00 | 247,879,866 | 0.00 | 251,929,866 | 0.00 | 242,011,445 | 0.00 | |
| THIRD PARTY LIABILITY COLLECT | 6,500,000 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 10,000 | 0.00 | 10,000 | 0.00 | 10,000 | 0.00 | |
| HEALTH INITIATIVES | 1,210,374 | 0.00 | 1,427,081 | 0.00 | 1,427,081 | 0.00 | 1,427,081 | 0.00 | |
| TAX AMNESTY FUND | 0 | 0.00 | 5,484,349 | 0.00 | 5,484,349 | 0.00 | 0 | 0.00 | |
| HEALTHY FAMILIES TRUST | 6,041,034 | 0.00 | 11,825,877 | 0.00 | 11,825,877 | 0.00 | 11,825,877 | 0.00 | |
| TOTAL - PD | 671,210,609 | 0.00 | 350,740,444 | 0.00 | 355,440,444 | 0.00 | 333,599,236 | 0.00 | |
| TOTAL | 674,583,973 | 0.00 | 354,361,181 | 0.00 | 359,061,181 | 0.00 | 337,219,973 | 0.00 | |
| Tax Amnesty Fund Replacement - 0000016 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 7,911,412 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 13,632,944 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 21,544,356 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 21,544,356 | 0.00 | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 27,850,288 | 0.00 | 51,761,092 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 7,797,249 | 0.00 | 868,020 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 35,647,537 | 0.00 | 52,629,112 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 35,647,537 | 0.00 | 52,629,112 | 0.00 | |
| ABLE Accounts - 1886039 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |

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DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|---|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| PHYSICIAN RELATED PROF | | | | | | | | | |
| ABLE Accounts - 1886039 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 630,729 | 0.00 | 633,203 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 1,649,933 | 0.00 | 1,647,459 | 0.00 | |
| FEDERAL REIMBURSEMENT ALLOWANCE | 0 | 0.00 | 0 | 0.00 | 162,461 | 0.00 | 162,461 | 0.00 | |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 0 | 0.00 | 162,461 | 0.00 | 162,461 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 2,605,584 | 0.00 | 2,605,584 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 2,605,584 | 0.00 | 2,605,584 | 0.00 | |
| ABA for Children with Autism - 1886013 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 4,426,654 | 0.00 | 4,438,120 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 7,642,638 | 0.00 | 7,631,172 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 12,069,292 | 0.00 | 12,069,292 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 12,069,292 | 0.00 | 12,069,292 | 0.00 | |
| FMAP Adjustment - 1886023 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,276,222 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,276,222 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,276,222 | 0.00 | |
| GRAND TOTAL | \$674,583,973 | 0.00 | \$354,361,181 | 0.00 | \$409,383,594 | 0.00 | \$429,344,539 | 0.00 | |

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Physician Related

Budget Unit: 90544C, 90576C

HB Section: 11.455, 11.528

1. CORE FINANCIAL SUMMARY

| | FY 2017 Budget Request | | | |
|--------------|------------------------|--------------------|-------------------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | 1,705,342 | 1,915,395 | 0 | 3,620,737 |
| PSD | 84,763,271 | 251,929,866 | 18,747,307 | 355,440,444 |
| TRF | | | | |
| Total | 86,468,613 | 253,845,261 | 18,747,307 | 359,061,181 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)
Healthy Families Trust Fund (0625)
Pharmacy Reimbursement Allowance Fund (0144)
Tax Amnesty Fund (0470)

| | FY 2017 Governor's Recommendation | | | |
|--------------|-----------------------------------|--------------------|-------------------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 1,705,342 | 1,915,395 | 0 | 3,620,737 |
| TRF | 78,324,833 | 242,011,445 | 13,262,958 | 333,599,236 |
| Total | 80,030,175 | 243,926,840 | 13,262,958 | 337,219,973 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)
Healthy Families Trust Fund (0625)
Pharmacy Reimbursement Allowance Fund (0144)

2. CORE DESCRIPTION

This core request is for the ongoing funding for professional services provided to MO HealthNet participants by physicians, nurse practitioners, clinics, lab and x-ray facilities, nurse midwives, podiatrists, certified registered nurse anesthetists, anesthesiologist assistants, independent diagnostic testing facilities, rural health clinics, federally qualified health centers, psychologists, professional counselors, licensed clinical social workers, health homes, asthma educators and in-home environmental assessors.

3. PROGRAM LISTING (list programs included in this core funding)

Physician Related

CORE DECISION ITEM

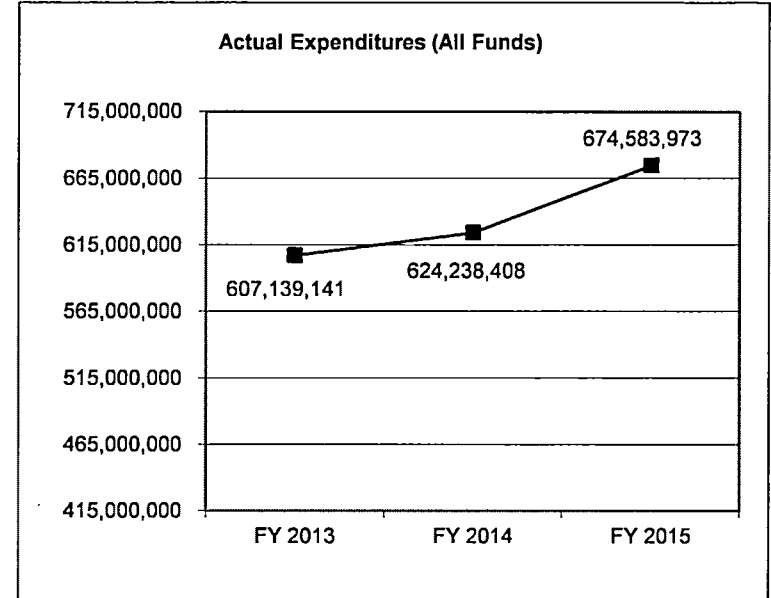
Department: Social Services
Division: MO HealthNet
Core: Physician Related

Budget Unit: 90544C, 90576C

HB Section: 11.455, 11.528

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr |
|---------------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|
| Appropriation (All Funds) | 618,122,109 | 677,098,023 | 678,319,976 | 354,361,181 |
| Less Reverted (All Funds) | (42,812) | (42,812) | (42,812) | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 618,079,297 | 677,055,211 | 678,277,164 | N/A |
| Actual Expenditures (All Funds) | 607,139,141 | 624,238,408 | 674,583,973 | N/A |
| Unexpended (All Funds) | 10,940,156 | 52,816,803 | 3,693,191 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 2,283 | 0 | N/A |
| Federal | 10,940,156 | 50,449,255 | 3,683,191 | N/A |
| Other | 0 | 2,365,265 | 10,000 | N/A |
| | (1) | (2) | (3) | |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY13 Expenditures of \$5,997,867 were paid from Managed Care and \$13,000 were paid from the Supplemental Pool

(2) FY14 Agency reserves of \$47,960 Health Initiatives Fund and \$2,317,305 Healthy Families Trust Fund due to lower than anticipated revenue and an agency reserve of \$40,088,793 Federal Funds due to the matching rate. In addition, there was a \$6,041,034 supplemental budget increase of GR to offset the decrease in Healthy Families Trust Fund.

(3) FY15 \$6,500,000 supplemental budget increase of Third Party Liability Fund.

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Physician Related

Budget Unit: 90544C, 90576C

HB Section: 11.455, 11.528

Cost Per Eligible - Per Member Per Month (PMPM)

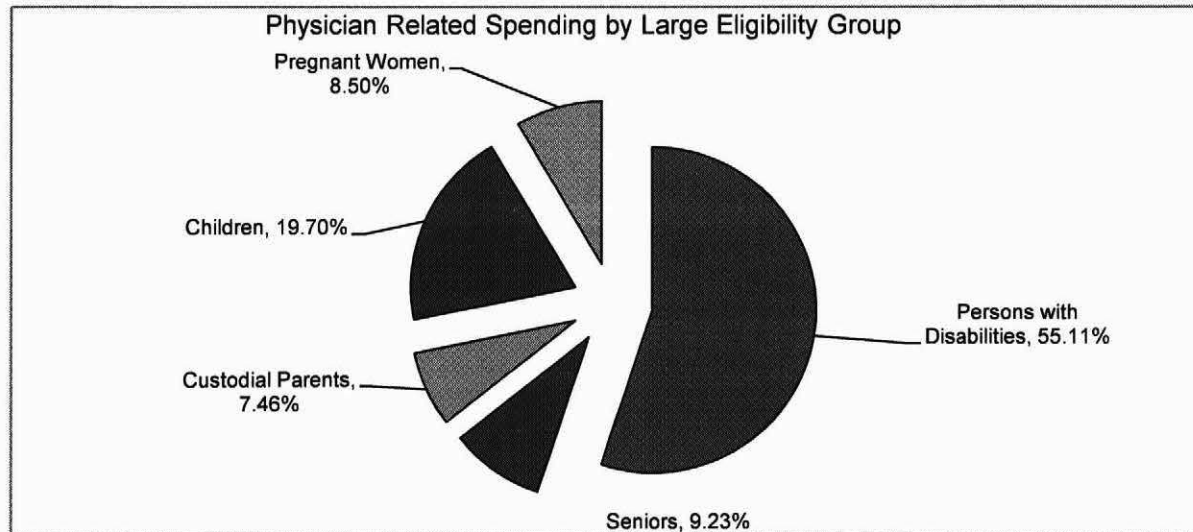
| | Physician PMPM | Acute Care PMPM | Total PMPM | Physician Percentage of Acute | Physician Percentage of Total |
|-------------------|----------------|-----------------|------------|-------------------------------|-------------------------------|
| PTD | \$158.63 | \$1,074.20 | \$1,961.17 | 14.77% | 8.09% |
| Seniors | \$55.17 | \$368.96 | \$1,565.89 | 14.95% | 3.52% |
| Custodial Parents | \$44.50 | \$473.61 | \$507.28 | 9.40% | 8.77% |
| Children* | \$18.04 | \$274.18 | \$303.51 | 6.58% | 5.94% |
| Pregnant Women | \$159.86 | \$657.06 | \$671.28 | 24.33% | 23.81% |

Source: Table 23 Medical Statistics for Fiscal Year 2015, Paid Claims Data (includes EPSDT services)

* CHIP eligibles not included

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MO HealthNet (MHD) management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending. PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.



Source: Table 23 Medical Statistics for Fiscal Year 2015, Paid Claims Data.

The PMPM table reflects the PMPM amounts for physician related services, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient; physician/lab/x-ray; outpatient/clinic; pharmacy; managed care payments; Medicare co-pay/deductibles; dental; and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the physician PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for physician related services. It provides a snapshot of what eligibility groups are receiving physician related services, as well as the populations impacted by program changes.

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES

PHYSICIAN RELATED PROF

5. CORE RECONCILIATION DETAIL

| | | | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|------|------|----|-----------------|-------------|-------------------|--------------------|-------------------|--------------------|--|
| TAFP AFTER VETOES | | | | | | | | | | |
| | | | | EE | 0.00 | 1,705,342 | 1,915,395 | 0 | 3,620,737 | |
| | | | | PD | 0.00 | 84,113,271 | 247,879,866 | 18,747,307 | 350,740,444 | |
| | | | | Total | 0.00 | 85,818,613 | 249,795,261 | 18,747,307 | 354,361,181 | |
| DEPARTMENT CORE ADJUSTMENTS | | | | | | | | | | |
| Core Reallocation | 103 | 8196 | PD | | 0.00 | 400,000 | 0 | 0 | 400,000 | Core reallocation from Asthma Services |
| Core Reallocation | 103 | 8197 | PD | | 0.00 | 0 | 3,600,000 | 0 | 3,600,000 | Core reallocation from Asthma Services |
| Core Reallocation | 786 | 8196 | PD | | 0.00 | 250,000 | 0 | 0 | 250,000 | Reallocation of Foster Children Health Homes to Physician. |
| Core Reallocation | 786 | 8197 | PD | | 0.00 | 0 | 450,000 | 0 | 450,000 | Reallocation of Foster Children Health Homes to Physician. |
| NET DEPARTMENT CHANGES | | | | | 0.00 | 650,000 | 4,050,000 | 0 | 4,700,000 | |
| DEPARTMENT CORE REQUEST | | | | | | | | | | |
| | | | | EE | 0.00 | 1,705,342 | 1,915,395 | 0 | 3,620,737 | |
| | | | | PD | 0.00 | 84,763,271 | 251,929,866 | 18,747,307 | 355,440,444 | |
| | | | | Total | 0.00 | 86,468,613 | 253,845,261 | 18,747,307 | 359,061,181 | |
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | | | | |
| Core Reduction | 1616 | 9879 | PD | | 0.00 | 0 | 0 | (1,484,349) | (1,484,349) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1616 | 9882 | PD | | 0.00 | 0 | (6,906,017) | 0 | (6,906,017) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1616 | 9880 | PD | | 0.00 | 0 | (2,562,404) | 0 | (2,562,404) | Redux of one-time funding for FY16 rate increase |

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES

PHYSICIAN RELATED PROF

5. CORE RECONCILIATION DETAIL

| | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|-----------|-----------------|-------------|--------------------|--------------------|--------------------|---------------------|--|
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | | |
| Core Reduction | 1616 9881 | PD | 0.00 | 0 | 0 | (4,000,000) | (4,000,000) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1786 8196 | PD | 0.00 | (6,188,438) | 0 | 0 | (6,188,438) | FMAP adjustment |
| Core Reallocation | 786 8197 | PD | 0.00 | 0 | (450,000) | 0 | (450,000) | Reallocation of Foster Children Health Homes to Physician. |
| Core Reallocation | 786 8196 | PD | 0.00 | (250,000) | 0 | 0 | (250,000) | Reallocation of Foster Children Health Homes to Physician. |
| NET GOVERNOR CHANGES | | | 0.00 | (6,438,438) | (9,918,421) | (5,484,349) | (21,841,208) | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | | |
| | | EE | 0.00 | 1,705,342 | 1,915,395 | 0 | 3,620,737 | |
| | | PD | 0.00 | 78,324,833 | 242,011,445 | 13,262,958 | 333,599,236 | |
| | | Total | 0.00 | 80,030,175 | 243,926,840 | 13,262,958 | 337,219,973 | |

FLEXIBILITY REQUEST FORM

| BUDGET UNIT NUMBER: 90544C BUDGET UNIT NAME: Physician HOUSE BILL SECTION: 11.455 | DEPARTMENT: Social Services DIVISION: MO HealthNet | | | | | | | | | | | | |
|--|---|---|-----------------------|------------------|-----------------------|------------------------------|---------------|-----|--------------|--|---------------|-----|--------------|
| 1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. | | | | | | | | | | | | | |
| DEPARTMENT REQUEST | | | | | | | | | | | | | |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: center;">Core</th> <th style="width: 20%; text-align: center;">% Flex Requested</th> <th style="width: 30%; text-align: center;">Flex Requested Amount</th> </tr> </thead> <tbody> <tr> <td><i>Total Program Request</i></td> <td style="text-align: right;">\$339,408,411</td> <td style="text-align: center;">10%</td> <td style="text-align: right;">\$33,940,841</td> </tr> <tr> <td></td> <td style="text-align: right;">\$339,408,411</td> <td style="text-align: center;">25%</td> <td style="text-align: right;">\$84,852,103</td> </tr> </tbody> </table> | | | Core | % Flex Requested | Flex Requested Amount | <i>Total Program Request</i> | \$339,408,411 | 10% | \$33,940,841 | | \$339,408,411 | 25% | \$84,852,103 |
| | Core | % Flex Requested | Flex Requested Amount | | | | | | | | | | |
| <i>Total Program Request</i> | \$339,408,411 | 10% | \$33,940,841 | | | | | | | | | | |
| | \$339,408,411 | 25% | \$84,852,103 | | | | | | | | | | |
| 2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount. | | | | | | | | | | | | | |
| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | | | | | | | | | | | |
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | 10% flexibility between sections and 25% flexibility between FFS and Managed Care is being requested for FY 17. | | | | | | | | | | | |
| 3. Please explain how flexibility was used in the prior and/or current years. | | | | | | | | | | | | | |
| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE | | | | | | | | | | | | |
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. | | | | | | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-------------------------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHYSICIAN RELATED PROF | | | | | | | | |
| CORE | | | | | | | | |
| PROFESSIONAL SERVICES | 2,028,772 | 0.00 | 2,020,739 | 0.00 | 2,020,739 | 0.00 | 2,020,739 | 0.00 |
| MISCELLANEOUS EXPENSES | 1,344,592 | 0.00 | 1,599,998 | 0.00 | 1,599,998 | 0.00 | 1,599,998 | 0.00 |
| TOTAL - EE | 3,373,364 | 0.00 | 3,620,737 | 0.00 | 3,620,737 | 0.00 | 3,620,737 | 0.00 |
| PROGRAM DISTRIBUTIONS | 671,210,609 | 0.00 | 350,740,444 | 0.00 | 355,440,444 | 0.00 | 333,599,236 | 0.00 |
| TOTAL - PD | 671,210,609 | 0.00 | 350,740,444 | 0.00 | 355,440,444 | 0.00 | 333,599,236 | 0.00 |
| GRAND TOTAL | \$674,583,973 | 0.00 | \$354,361,181 | 0.00 | \$359,061,181 | 0.00 | \$337,219,973 | 0.00 |
| GENERAL REVENUE | \$202,613,324 | 0.00 | \$85,818,613 | 0.00 | \$86,468,613 | 0.00 | \$80,030,175 | 0.00 |
| FEDERAL FUNDS | \$458,045,346 | 0.00 | \$249,795,261 | 0.00 | \$253,845,261 | 0.00 | \$243,926,840 | 0.00 |
| OTHER FUNDS | \$13,925,303 | 0.00 | \$18,747,307 | 0.00 | \$18,747,307 | 0.00 | \$13,262,958 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

1. What does this program do?

This program provides payment for professional services provided to MO HealthNet participants by physicians, nurse practitioners, clinics, lab and x-ray facilities, nurse midwives, podiatrists, certified registered nurse anesthetists, anesthesiologist assistants, independent diagnostic testing facilities, rural health clinics, federally qualified health centers, psychologists, professional counselors, licensed clinical social workers, health homes, asthma educators and in-home environmental assessors.

A general description of each of the MO HealthNet provider groups in the Physician Related Program is as follows:

Physician

Proper health care is essential to the general health and well-being of MO HealthNet participants. Physicians, including medical doctors and doctors of osteopathy, are typically the front line providers where MO HealthNet participants enter the state's health care system. They provide a myriad of health care services and tie the various parts of the health care system together.

Physician services are diagnostic, therapeutic, rehabilitative or palliative procedures provided by, and under the supervision of, a licensed physician who is practicing within the scope of practice allowed and is enrolled in the MO HealthNet program.

Physicians enrolled in the MO HealthNet program are identified by the specialty of medicine they practice. Specialties include: allergy immunology; anesthesiology; cardiology; dermatology; emergency medicine; family practice; general practice; general surgery; internal medicine; laryngology; nuclear medicine; neurological surgery; obstetrics/gynecology; ophthalmology; otology; otolaryngology; orthopedic surgery; pathology; pediatrics; physical medicine and rehabilitation; plastic surgery; preventive medicine; proctology; psychiatry; neurology; radiation therapy; radiology; rectal and colon surgery; rehabilitative medicine; rhinology; thoracic surgery; and urology.

The services of a physician may be administered in multiple settings including the physician's office, the participant's home (or other place of residence such as a nursing facility), the hospital (inpatient/outpatient) or settings such as a medical clinic or ambulatory surgical care facility.

Services rendered by someone other than a physician, including appropriate supplies, are billable by the physician only where there is direct personal supervision by the physician. This applies to services rendered by auxiliary personnel employed by the physician and working under his/her on-site supervision such as nurses, non-physician anesthetists, technicians, therapists and other aides. Beginning in FY16, physicians assistants may bill independently. Assistant physicians may receive Medicaid reimbursement for applicable services in Missouri once licensed by the Board of Healing Arts.

The majority of services provided by a physician are reimbursed on a fee schedule although a few services are reimbursed manually, whereby each procedure or claim is priced individually by a medical consultant based on the unique circumstances of the case. Certain procedures, such as organ transplants, are only reimbursable with prior approval.

Periodic Screening Diagnosis Treatment /Healthy Children and Youth (EPSDT/HCY) program provides services to MO HealthNet participants who are infants, children, and youth under the age of 21 years with a primary and preventive care focus. Full, partial, and interperiodic health screenings; medical and dental examinations; immunizations; and medically necessary treatment services are covered. The goal of the MO HealthNet program is for each child to be healthy. This is achieved by the primary care provider who manages a coordinated, comprehensive, continuous health care program to address the child's primary health care needs. The program provides early and periodic medical or dental screening, diagnosis, and treatment to correct or improve defects and chronic conditions found during the screening.

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

Clinic

Clinics offer preventive, diagnostic, therapeutic, rehabilitative or palliative services that are furnished by a facility that are not part of a hospital but are organized and operated to provide medical care to outpatients. Services furnished to outpatients include those furnished at the clinic by, or under the direction of, a physician and those services furnished outside the clinic by clinic personnel under the direction of a physician.

MO HealthNet reimbursement is made solely to the clinic. All health care professionals are employed by the clinic. Each provider offering health care services through the clinic, in addition to being employed by the participating clinic, must be a MO HealthNet provider. Health care providers at a clinic can include physicians, nurse practitioners, radiologists and other health professionals whose services are offered at the clinic. Clinics differ from RHCs and FQHCs in the type of services they provide and the reimbursement methodology.

Lab & X-Ray

Laboratory and x-ray facilities provide examination and radiology services under the physician program. Laboratories perform examinations of body fluids, tissues or organs by the use of various methods employing specialized equipment such as electron microscopes and radio-immunoassay. A clinical laboratory is a laboratory where microbiological, serological, chemical, hematological, radio bioassay, cytological, immunohematological or pathological examinations are performed on material derived from the human body to provide information for the diagnosis, prevention or treatment of a disease or assessment of a medical condition. Operations of a laboratory are generally directed by a pathologist.

X-ray facilities offer radiological services in which x-rays or rays from radioactive substances are used for diagnostic or therapeutic purposes. Such services include, but are not limited to, radium therapy; ~~the use of radioisotopes~~ for diagnostic or therapeutic purposes (e.g., in nuclear medicine); diagnostic tests such as aortograms, pyelograms, myelograms, arteriograms and ventriculograms; imaging services; x-rays; and diagnostic ultra-sounds. These operations are generally directed by a radiologist.

Both laboratories and x-ray clinics are reimbursed on a fee schedule. Certain x-ray services are subject to prior approval.

Nurse Midwife

Nurse midwife services are those services related to the management and provision of care to a pregnant woman and her unborn/newborn infant by a certified nurse midwife. These services may be provided throughout the maternity cycle which includes pregnancy, labor and delivery and the initial postpartum period not to exceed six weeks. Covered services include antepartum care, delivery, post-partum care, newborn care, office visits, laboratory services and other services within the scope of practice of a nurse midwife. If there is any indication the maternity care is not for a normal uncomplicated delivery, the nurse midwife must refer the case to a physician.

Nurse midwives may also provide care outside of the maternity cycle such as family planning, counseling, birth control techniques and well-woman gynecological care including routine pap smears and breast examinations (Section 13605, OBRA 93). Nurse midwife services may also include services to the newborn, age 0 through 2 months, and any other MO HealthNet eligible female, age 15 and over.

Services furnished by a nurse midwife must be within the scope of practice authorized by federal and state laws or regulations and, in the case of inpatient or outpatient hospital services or clinic services, furnished by or under the direction of a nurse midwife only to the extent permitted by the facility.

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

In order to qualify for participation in the MO HealthNet Nurse Midwife program, in addition to provisions required of all MO HealthNet providers, the applicant must hold a valid current license as an advanced practice nurse (APRN) in the state of Missouri and be currently certified as a nurse midwife by the American College of Nurse Midwives.

The services of a nurse midwife may be administered in a variety of settings including the provider's office, a hospital (inpatient or outpatient), the home of the participant (delivery and newborn care only) or a birthing center. Reimbursement for nurse midwife services is made on a fee-for-service basis and must be reasonable and consistent with efficiency, economy and quality of care as determined by MO HealthNet. MO HealthNet payment is the lower of the provider's actual billed charge, based on his/her usual and customary charge to the general public for the service, or the MO HealthNet maximum allowable amount per unit of service. The level of reimbursement to the nurse midwife is the same as that reimbursed to a physician for the same procedure.

Podiatry

Podiatrists provide medical, surgical and mechanical services for the foot or any area not above the ankle joint and receive MO HealthNet reimbursement for diagnostic, therapeutic, rehabilitative and palliative services which are within the scope of practice the podiatrist is authorized to perform. Most services provided by a podiatrist are reimbursed on a fee schedule although a few services are reimbursed manually, whereby each procedure or claim is priced individually by a medical consultant based on the unique circumstances of the case.

The following podiatry services are not covered for adults (except individuals under a category of assistance for pregnant women or the blind or nursing facility residents): trimming of nondystrophic nails; debridement of one to five nails by any method; debridement of six or more nails by any method; partial or complete excision of the nail and nail matrix; and strapping of the ankle and/or foot.

The services of a podiatrist may be administered in the podiatrist's office, the participant's home (or other place of residence such as a nursing facility), a hospital (inpatient/outpatient), a medical clinic or ambulatory surgical care facility.

Certified Registered Nurse Anesthetist

CRNA services are those services related to the introduction and management of a substance into the body by external or internal means that causes loss of sensation with or without loss of consciousness. In order to qualify for participation in the MO HealthNet Certified Registered Nurse Anesthetist program, in addition to provisions required of all MO HealthNet providers, the applicant must hold a valid current license as an advanced practice nurse (RN) or nurse practitioner in the state of Missouri and be currently certified as a CRNA by the Council on Certification of Nurse Anesthetists.

Reimbursement for CRNA services are made on a fee-for-service basis. The services of a CRNA may be administered in the provider's office, a hospital, nursing home or clinic and include the same scope of practice as that of an anesthesiologist. CRNAs are often employed by physicians (anesthesiologists), but are not required to be employed by a physician.

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

Anesthesiologist Assistants (AA)

An AA is a person who works under the supervision of a licensed anesthesiologist and provides anesthesia services and related care. An AA shall practice only under the direct supervision of an anesthesiologist who is physically present or immediately available. A supervising anesthesiologist shall be allowed to supervise up to four AAs concurrently, consistent with 42 CFR 415.110. The name and mailing address of the supervising anesthesiologist must be submitted by an AA. An AA must be licensed by the Missouri Board of Healing Arts as set forth in 20 CSR 2150-9 and submit a copy to the MO HealthNet Division. An AA must practice within their scope of practice referenced in Section 334.402, RSMo. Reimbursement for AA services is made on a fee-for-service basis. An AA and a Certified Registered Nurse Anesthetist (CRNA) are not allowed to bill for the same anesthesia service.

Independent Diagnostic Testing Facility (IDTF)

These providers are independent of a hospital or a physician's office and offer medically necessary diagnostic tests. The IDTF may be a fixed location or a mobile entity. An IDTF must have one or more supervising physicians who are responsible for the direct and ongoing oversight of the quality of the testing performed, the proper operation and calibration of the equipment used to perform tests, and the qualification of non-physician personnel who use the equipment.

Rural Health Clinics (RHC)

The Rural Health Clinic Services Act of 1977 designated rural health clinics as health care providers. The Act became effective for MO HealthNet reimbursement on July 1, 1978. The Rural Health Clinic Services Act of 1977 extended benefits to cover health care services to under-served rural areas where access to traditional physician care had been difficult. In those areas, specifically trained practitioners furnish the health care services needed by the community.

Rural health clinics must be located in a rural area that is designated a shortage area for primary care. To be eligible for this designation, a clinic must be located in an area not identified as "urbanized" by the Bureau of the Census and designated as a shortage or under-served area by one of the following definitions:

- An area with a shortage of personal health services under Section 30(b)(3) or 330(b)(3) of the Public Health Service Act (PHS);
- A Health Professional Shortage Area (HPSA) designated under Section 332(a)(1)(A) of the PHS Act;
- An area which includes a population group designated as having a health professional shortage under Section 332(a)(1)(B) of the PHS Act; or
- An area designated by the chief executive officer (Governor) of the State and certified by the Secretary of Health and Human Services as an area with a shortage of personal health services.

In addition to the above criteria, RHCs must meet the additional staffing and health and safety requirements set forth by the Rural Health Clinic Services Act. To be a MO HealthNet RHC, a clinic must be certified by the Public Health Service, be certified for participation in Medicare, and be enrolled as a MO HealthNet provider. The RHC is then designated as either an independent or a provider-based RHC.

In order to be designated a provider-based RHC, the RHC must be an integral and subordinate part of a hospital, skilled nursing facility or home health agency. The provider-based RHC must also be under common licensure, governance and professional supervision with its parent provider. Hospital-based RHCs are reimbursed the lower of 100% of their usual and customary charges or their cost-to-charge ratio. The RHCs that are based in skilled nursing facilities and home health agencies are reimbursed their usual and customary charges multiplied by the lower of the Medicare RHC rate or the rate approved by the MO HealthNet Division.

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

An independent RHC has no financial, organizational or administrative connection to a hospital, skilled nursing facility or home health agency. They are reimbursed a fee that is calculated either by dividing the lesser of their reasonable costs by their total number of encounters, or by multiplying the Medicare upper- payment limit by the number of MO HealthNet encounters. An annual audit of the Medicare cost report is reviewed by the Institutional Reimbursement Unit (IRU) within the MO HealthNet Division.

Nurse Practitioner

A nurse practitioner, or advanced practice nurse, is one who has had education beyond the basic nursing education and is certified by a nationally recognized professional organization as having a nursing specialty, or who meets criteria for advanced practice nurses established by the Missouri Board of Nursing. The Board of Nursing may promulgate rules specifying which professional nursing organization certifications are to be recognized as advanced practice nurses and may set standards for education, training and experience required for those without such specialty certification to become advanced practice nurses.

Numerous nurse practitioner specialties are recognized such as family, gerontology, clinical, obstetrics/GYN, neonatal, mental health, and certified registered nurse anesthetists. Reimbursement for nurse practitioner services are made on a fee-for-service basis. The level of reimbursement to the nurse practitioner is the same as that reimbursed to a physician for the same procedure. Nurse practitioners, or advanced practical nurses, may prescribe medications only through a collaborative agreement with a physician.

Nurse practitioner services involve the performance for compensation of any act which requires substantial specialized education, judgment, and skill based on knowledge and application of principles derived from the biological, physical, social and nursing sciences, including: a) responsibility for the teaching of health care and the prevention of illness to the patient and his/her family; b) assessment, nursing diagnosis, nursing care, and counsel of persons who are ill, injured or experiencing alterations in normal health processes; c) administration of medications and treatments as prescribed by a person licensed in this state to prescribe such medications and treatments; and d) coordination and assistance in the delivery of a plan of health care with all members of the health team.

The services of a nurse practitioner may be administered in a variety of settings including the provider's office, a hospital, nursing home or clinic. Nurse practitioners are generally employed by physicians, but are not required to be employed by physicians.

Federally Qualified Health Clinic (FQHC)

The FQHC program was established by the Omnibus Budget Reconciliation Acts of 1989 (OBRA 89) and 1990 (OBRA 90). These laws designated certain community-based health care organizations as unique health care providers called Federally Qualified Health Centers. These laws establish a set of FQHC health care services that MO HealthNet and Medicare must cover for those beneficiaries who receive services from the FQHC and require the reimbursement of reasonable cost to the FQHC for such services.

By passing the FQHC legislation, Congress recognized the following two goals of the FQHC program:

- To provide adequate reimbursement to community-based primary health care organizations (FQHCs) so that they, in turn, may better serve a large number of MO HealthNet participants and/or provide more services, thus improving access to primary care.
- To enable FQHCs to use other resources previously subsidizing MO HealthNet to serve uninsured individuals who, although not eligible for MO HealthNet, have a difficult time obtaining primary care because of economic or geographic barriers.
- In order to qualify for FQHC status, a facility must receive or be eligible for a grant under Section 329, 330 or 340 of the Public Health Service Act, meet the requirements for receiving such a grant, or have been a Federally Funded Health Center as of January 1, 1990.

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The services of a physician may be administered in multiple settings including the physician's office, the participant's home (or other place of residence such as a nursing facility), the hospital (inpatient/outpatient) or settings such as a medical clinic or ambulatory surgical care facility.

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Nurse Midwife

Nurse midwife services are those services related to the management and provision of care to a pregnant woman and her unborn/newborn infant by a certified nurse midwife. These services may be provided throughout the maternity cycle which includes pregnancy, labor and delivery and the initial postpartum period not to exceed six weeks. Covered services include antepartum care, delivery, post-partum care, newborn care, office visits, laboratory services and other services within the scope of practice of a nurse midwife. If there is any indication the maternity care is not for a normal uncomplicated delivery, the nurse midwife must refer the case to a physician.

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Podiatry

Podiatrists provide medical, surgical and mechanical services for the foot or any area not above the ankle joint and receive MO HealthNet reimbursement for diagnostic, therapeutic, rehabilitative and palliative services which are within the scope of practice the podiatrist is authorized to perform. Most services provided by a podiatrist are reimbursed on a fee schedule although a few services are reimbursed manually, whereby each procedure or claim is priced individually by a medical consultant based on the unique circumstances of the case.

The following podiatry services are not covered for adults (except individuals under a category of assistance for pregnant women or the blind or nursing facility residents): trimming of nondystrophic nails; debridement of one to five nails by any method; debridement of six or more nails by any method; partial or complete excision of the nail and nail matrix; and strapping of the ankle and/or foot.

The services of a podiatrist may be administered in the podiatrist's office, the participant's home (or other place of residence such as a nursing facility), a hospital (inpatient/outpatient), a medical clinic or ambulatory surgical care facility.

Certified Registered Nurse Anesthetist

CRNA services are those services related to the introduction and management of a substance into the body by external or internal means that causes loss of sensation with or without loss of consciousness. In order to qualify for participation in the MO HealthNet Certified Registered Nurse Anesthetist program, in addition to provisions required of all MO HealthNet providers, the applicant must hold a valid current license as an advanced practice nurse (RN) or nurse practitioner in the state of Missouri and be currently certified as a CRNA by the Council on Certification of Nurse Anesthetists.

Reimbursement for CRNA services are made on a fee-for-service basis. The services of a CRNA may be administered in the provider's office, a hospital, nursing home or clinic and include the same scope of practice as that of an anesthesiologist. CRNAs are often employed by physicians (anesthesiologists), but are not required to be employed by a physician.

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

Anesthesiologist Assistants (AA)

An AA is a person who works under the supervision of a licensed anesthesiologist and provides anesthesia services and related care. An AA shall practice only under the direct supervision of an anesthesiologist who is physically present or immediately available. A supervising anesthesiologist shall be allowed to supervise up to four AAs concurrently, consistent with 42 CFR 415.110. The name and mailing address of the supervising anesthesiologist must be submitted by an AA. An AA must be licensed by the Missouri Board of Healing Arts as set forth in 20 CSR 2150-9 and submit a copy to the MO HealthNet Division. An AA must practice within their scope of practice referenced in Section 334.402, RSMo. Reimbursement for AA services is made on a fee-for-service basis. An AA and a Certified Registered Nurse Anesthetist (CRNA) are not allowed to bill for the same anesthesia service.

Independent Diagnostic Testing Facility (IDTF)

These providers are independent of a hospital or a physician's office and offer medically necessary diagnostic tests. The IDTF may be a fixed location or a mobile entity. An IDTF must have one or more supervising physicians who are responsible for the direct and ongoing oversight of the quality of the testing performed, the proper operation and calibration of the equipment used to perform tests, and the qualification of non-physician personnel who use the equipment.

Rural Health Clinics (RHC)

The Rural Health Clinic Services Act of 1977 designated rural health clinics as health care providers. The Act became effective for MO HealthNet reimbursement on July 1, 1978. The Rural Health Clinic Services Act of 1977 extended benefits to cover health care services to under-served rural areas where access to traditional physician care had been difficult. In those areas, specifically trained practitioners furnish the health care services needed by the community.

Rural health clinics must be located in a rural area that is designated a shortage area for primary care. To be eligible for this designation, a clinic must be located in an area not identified as "urbanized" by the Bureau of the Census and designated as a shortage or under-served area by one of the following definitions:

- An area with a shortage of personal health services under Section 30(b)(3) or 330(b)(3) of the Public Health Service Act (PHS);
- A Health Professional Shortage Area (HPSA) designated under Section 332(a)(1)(A) of the PHS Act;
- An area which includes a population group designated as having a health professional shortage under Section 332(a)(1)(B) of the PHS Act; or
- An area designated by the chief executive officer (Governor) of the State and certified by the Secretary of Health and Human Services as an area with a shortage of personal health services.

In addition to the above criteria, RHCs must meet the additional staffing and health and safety requirements set forth by the Rural Health Clinic Services Act. To be a MO HealthNet RHC, a clinic must be certified by the Public Health Service, be certified for participation in Medicare, and be enrolled as a MO HealthNet provider. The RHC is then designated as either an independent or a provider-based RHC.

In order to be designated a provider-based RHC, the RHC must be an integral and subordinate part of a hospital, skilled nursing facility or home health agency. The provider-based RHC must also be under common licensure, governance and professional supervision with its parent provider. Hospital-based RHCs are reimbursed the lower of 100% of their usual and customary charges or their cost-to-charge ratio. The RHCs that are based in skilled nursing facilities and home health agencies are reimbursed their usual and customary charges multiplied by the lower of the Medicare RHC rate or the rate approved by the MO HealthNet Division.

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

An independent RHC has no financial, organizational or administrative connection to a hospital, skilled nursing facility or home health agency. They are reimbursed a fee that is calculated either by dividing the lesser of their reasonable costs by their total number of encounters, or by multiplying the Medicare upper- payment limit by the number of MO HealthNet encounters. An annual audit of the Medicare cost report is reviewed by the Institutional Reimbursement Unit (IRU) within the MO HealthNet Division.

Nurse Practitioner

A nurse practitioner, or advanced practice nurse, is one who has had education beyond the basic nursing education and is certified by a nationally recognized professional organization as having a nursing specialty, or who meets criteria for advanced practice nurses established by the Missouri Board of Nursing. The Board of Nursing may promulgate rules specifying which professional nursing organization certifications are to be recognized as advanced practice nurses and may set standards for education, training and experience required for those without such specialty certification to become advanced practice nurses.

Numerous nurse practitioner specialties are recognized such as family, gerontology, clinical, obstetrics/GYN, neonatal, mental health, and certified registered nurse anesthetists. Reimbursement for nurse practitioner services are made on a fee-for-service basis. The level of reimbursement to the nurse practitioner is the same as that reimbursed to a physician for the same procedure. Nurse practitioners, or advanced practical nurses, may prescribe medications only through a collaborative agreement with a physician.

Nurse practitioner services involve the performance for compensation of any act which requires substantial specialized education, judgment, and skill based on knowledge and application of principles derived from the biological, physical, social and nursing sciences, including: a) responsibility for the teaching of health care and the prevention of illness to the patient and his/her family; b) assessment, nursing diagnosis, nursing care, and counsel of persons who are ill, injured or experiencing alterations in normal health processes; c) administration of medications and treatments as prescribed by a person licensed in this state to prescribe such medications and treatments; and d) coordination and assistance in the delivery of a plan of health care with all members of the health team.

The services of a nurse practitioner may be administered in a variety of settings including the provider's office, a hospital, nursing home or clinic. Nurse practitioners are generally employed by physicians, but are not required to be employed by physicians.

Federally Qualified Health Clinic (FQHC)

The FQHC program was established by the Omnibus Budget Reconciliation Acts of 1989 (OBRA 89) and 1990 (OBRA 90). These laws designated certain community-based health care organizations as unique health care providers called Federally Qualified Health Centers. These laws establish a set of FQHC health care services that MO HealthNet and Medicare must cover for those beneficiaries who receive services from the FQHC and require the reimbursement of reasonable cost to the FQHC for such services.

By passing the FQHC legislation, Congress recognized the following two goals of the FQHC program:

- To provide adequate reimbursement to community-based primary health care organizations (FQHCs) so that they, in turn, may better serve a large number of MO HealthNet participants and/or provide more services, thus improving access to primary care.
- To enable FQHCs to use other resources previously subsidizing MO HealthNet to serve uninsured individuals who, although not eligible for MO HealthNet, have a difficult time obtaining primary care because of economic or geographic barriers.
- In order to qualify for FQHC status, a facility must receive or be eligible for a grant under Section 329, 330 or 340 of the Public Health Service Act, meet the requirements for receiving such a grant, or have been a Federally Funded Health Center as of January 1, 1990.

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

- FQHC services are initially reimbursed at 97% of the billed MO HealthNet FQHC covered charges. An annual audit of the MO HealthNet cost report is performed by the Institutional Reimbursement Unit (IRU) to determine reasonable costs. A settlement is made to adjust the reimbursement to 100% of the reasonable costs to provide MO HealthNet FQHC covered services.

Health Homes

Section 2703 of the ACA gives MO HealthNet the option to pay providers to coordinate care through a "health home" for individuals with chronic conditions. A health home is a "designated provider" or a health team that provides health home services to an individual with a chronic condition. A "designated provider" can be a physician, clinical practice or clinical group practice, rural clinic, community health center, home health agency, or any other entity or provider that is determined by MO HealthNet and approved by the Secretary of Health and Human Services to be a qualified health home. A team of health care professionals acting as a health home may include physicians and other professionals such as a nurse care coordinator, nutritionist or social worker. Health homes may be freestanding, virtual, or based at a hospital or other facility. Health home services include comprehensive care management, care coordination and health promotion, comprehensive transitional care from inpatient to other settings, patient and family support, and referral to community and social support services. Health homes are required to use "health information technology" to link services. Individuals who are eligible for health home services must have at least two chronic conditions or one chronic condition and the risk of having a second. Funding appropriated in FY 2016 for a medical and behavioral health home pilot project for foster children in the St. Louis region. The Children's Division and MO HealthNet working with partners in the St. Louis region will be developing a Health Home Pilot Project to more effectively coordinate health and mental health services for foster children.

Payment is made for start-up costs and lost productivity due to collaboration demands on staff not covered by other streams of payment. In addition, clinical care management per member per month (PMPM) payments will be made for the reimbursement of the cost of staff primarily responsible for delivery of services not covered by other reimbursement (Primary Care Nurses) whose duties are not otherwise reimbursable by MO HealthNet. Also, payment is made to practices for the value of the reduction in total health care PMPM cost, including the payments mentioned above, for the practice site's attributed MO HealthNet patients, relative to prior year experience.

Psychologists, Professional Counselors, and Licensed Clinical Social Workers

Medically necessary mental health services are available to MO HealthNet eligible children under the age of 21. Those services can be provided by psychologists, professional counselors and licensed clinical social workers. An adult may receive mental health services from a psychologist or from a licensed clinical social worker only if they are a member of a FQHC or RHC. Services provided by licensed professional counselors to adults in any setting are not reimbursable.

Psychologists and provisionally licensed psychologists provide testing and assessment, individual, family and group therapy and crisis intervention services to children and adults.

Licensed clinical social workers, provisionally licensed clinical social workers, licensed professional counselors, and provisionally licensed professional counselors provide assessment, individual, family and group therapy and crisis intervention services to children. Licensed clinical social workers and provisionally licensed clinical social workers may also provide these services to adults in the FQHC or RHC setting.

Asthma Educators and In-home Environmental Assessors -

Authority was added in FY15 to include these provider types. Pediatric MO HealthNet participants with a primary diagnosis of asthma who meet specific criteria indicating uncontrolled asthma may receive up to two asthma education services and two in-home environmental assessments per year.

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

A copayment, a portion of the providers' charges paid by the participant, is required on many physician services. Some participants or services are exempt from copay, including the following:

- participants under age 19;
- participants residing in a skilled nursing home, an intermediate care nursing home, a residential care home, an adult boarding home or a psychiatric hospital;
- participants who have both Medicare and Medicaid if Medicare covers the service and provides payment;
- participants who receive a transfer inpatient hospital admission;
- emergency services provided in an outpatient clinic or emergency room after the sudden onset of a medical condition if the absence of treatment could be expected to result in placing the patient's health in serious jeopardy, serious impairment to bodily functions or serious dysfunction of any bodily organ or part;
- certain therapy services, except when provided as an inpatient hospital service;
- services provided to pregnant women, blind recipients, managed care enrollees and foster care recipients;
- services identified as medically necessary through an Early Periodic Screening, Diagnostic and Treatment (EPSDT) screen;
- mental health services provided by community mental health facilities operated by the Department of Mental Health;
- family planning services;
- hospice services; and
- some personal care services.

The copayment for clinic visits is \$0.50, the copayment for physician and nurse practitioners is \$1.00, and the copayment for FQHCs and RHCs is \$2.00. The copayment for podiatry is based on the lesser of the provider's usual charge for the service or the maximum allowable amount. For podiatry services, the copayment is \$0.50 for charges of \$10.00 or less, \$1.00 for \$10.01 to \$25.00, \$2.00 for \$25.01 to \$50.00, and \$3.00 for charges of \$50.01 or more.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.153, 208.166; Federal law: Social Security Act Sections 1905(a)(2), (3), (5), (6), (9), (17), (21); 1905(r) and 1915(d);

Federal regulations: 42 CFR 440.210, 440.500, 412.113(c) and 441 Subpart B.

3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY16 is a blended 63.323% federal match. The state matching requirement is 36.677%.

4. Is this a federally mandated program? If yes, please explain.

Yes, if the state elects to have a Medicaid program. (Some services are optional: podiatry; clinics; nurse practitioners; CRNA and certified nurse anesthetist.)

PROGRAM DESCRIPTION

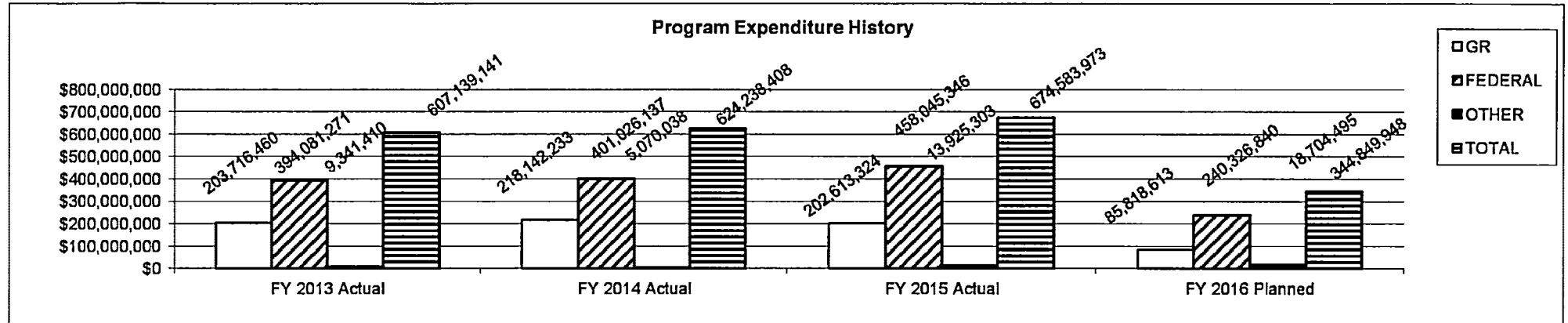
Department: Social Services

HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2016 planned is net of reverted and reserved.

6. What are the sources of the "Other " funds?

Health Initiatives Fund (0275), Healthy Families Trust Fund (0625), Pharmacy Reimbursement Allowance (0144), and starting in FY16, Tax Amnesty Fund (0470).

7a. Provide an effectiveness measure.

Maintain or increase the ratio of participants who receive EPSDT screenings.

The Healthy Children and Youth (HCY) Program in Missouri is a comprehensive, primary and preventive health care program for MO HealthNet eligible children and youth under the age of 21 years. The program is also known as Early Periodic Screening, Diagnosis and Treatment (EPSDT). The HCY Program provides early and periodic medical/dental screenings, diagnosis and treatment to correct or ameliorate defects and chronic conditions found during the screening.

EPSDT Participant Ratio

| *Federal Fiscal Year | Participants who should have received a screening | Participants who received at least one screening | Participant Ratio |
|----------------------|---|--|-------------------|
| 2012 | 429,478 | 320,844 | 75% |
| 2013 | 409,698 | 304,131 | 74% |
| 2014 | 395,881 | 278,040 | 70% |
| **2015 | 395,881 | 278,040 | 70% |
| **2016 | 395,881 | 278,040 | 70% |
| **2017 | 395,881 | 278,040 | 70% |

*Based on federal fiscal year in which report was submitted to CMS.

**Projected

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455, 11.528

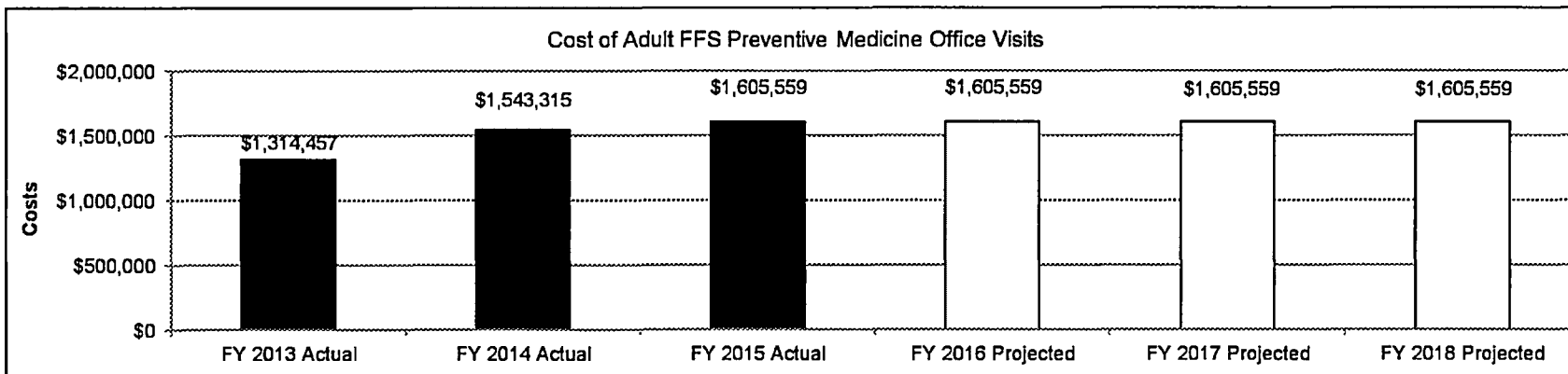
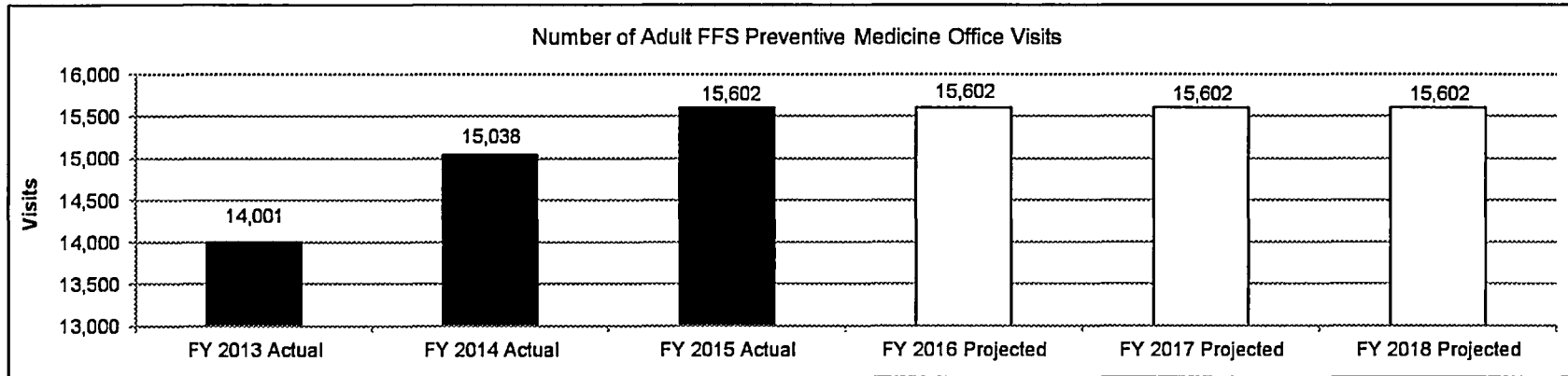
Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

7b. Provide an efficiency measure.

Increase the number of adult preventive office visits.

MO HealthNet pays for one "preventive" examination/physical. Preventive visits are important for routine evaluation and management of adults for the maintenance of good health and a reduction in risk factors that could lead to more expensive health care costs.



PROGRAM DESCRIPTION

Department: Social Services

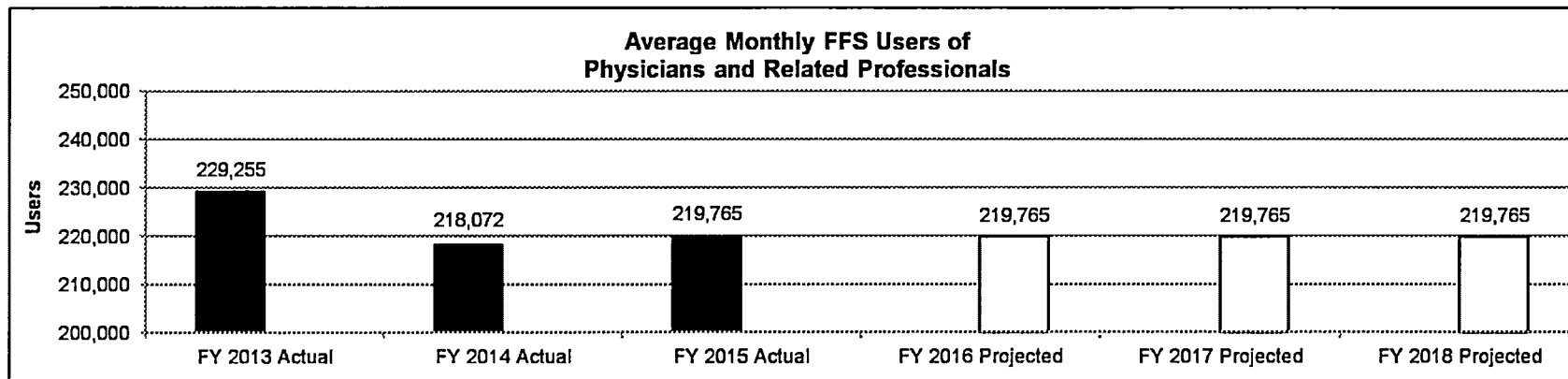
HB Sections: 11.455, 11.528

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

7c. Provide the number of clients/individuals served, if applicable.

Proper health care is essential to the general health and well-being of MO HealthNet participants. Physician related services are typically the front line where MO HealthNet participants enter the state's health care system. Services are provided by physicians, psychologists, nurse practitioners, podiatrists, clinics, and x-ray and lab facilities.



7d. Provide a customer satisfaction measure, if available.

N/A

NEW DECISION ITEM
RANK: 23 OF 29

Department: Social Services
Division: MO HealthNet
DI Name Applied Behavioral Analysis for ASD EPSDT

Budget Unit: 90544C
DI# 1886013

1. AMOUNT OF REQUEST

| FY 2017 Budget Request | | | | |
|------------------------|------------------|------------------|----------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 4,426,654 | 7,642,638 | 0 | 12,069,292 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 4,426,654 | 7,642,638 | 0 | 12,069,292 |
| | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds:

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|------------------|------------------|----------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 4,438,120 | 7,631,172 | 0 | 12,069,292 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 4,438,120 | 7,631,172 | 0 | 12,069,292 |
| | | | | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | |
|--|---|---|---|---|
| <i>Est. Fringe</i> | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |

Other Funds

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|---|--|--|
| <input type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input checked="" type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input type="checkbox"/> Other: | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding is needed to provide medically necessary services for the treatment of Autism Spectrum Disorder. Guidance issued by the Center for Medicare and Medicaid Services (CMS) in early July 2014 requires states, effective immediately, to provide medically necessary services for Autism Spectrum Disorder (ASD) under Medicaid's EPSDT benefit for enrolled children aged 0 to 21. This guidance was issued, in part, to respond to various legal challenges faced by states which resulted in court-ordered service provisions.

MO HealthNet requests funding to cover services for individuals with Autism Spectrum Disorder under section 1905(a)(4)(B) of the Social Security Act, the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit.

NEW DECISION ITEM
RANK: 23 OF 29

Department: Social Services
Division: MO HealthNet
DI Name Applied Behavioral Analysis for ASD EPSDT

Budget Unit: 90544C
DI# 1886013

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number

Guidance issued by the Center for Medicare and Medicaid Services (CMS) July 7, 2014 requires states, effective immediately, to provide medically necessary services

Applied Behavioral Analysis for Autism Spectrum Disorder - EPSDT

Cost Per Participant Per Year

| Service Description | MHD-Annual Cost Per |
|-------------------------------------|----------------------|
| Diagnostic Evaluation | \$ 420 |
| Functional Behavioral Assessment | \$ 593 |
| Behavioral Treatment | |
| Treatment by Technician | \$ 15,840 |
| Treatment by Professional | \$ 10,240 |
| Behavioral Treatment Total | \$ 26,080 |
| Total Cost Per Participant Per Year | \$ 27,093 |
| Cost Per Participant Per Year | \$ 27,093 |
| Estimated Number of Eligibles FY 16 | 444 |
| Total Annual Cost of Services | \$ 12,029,292 |
| ABA Consultant Cost | 40,000 |
| Total Annual Cost | \$ 12,069,292 |
| Physician Appropriation | |
| GR | \$ 4,426,654 |
| Federal | \$ 7,642,638 |

**The Governor recommended as requested.*

NEW DECISION ITEM
RANK: 23 OF 29

Department: Social Services
Division: MO HealthNet
DI Name Applied Behavioral Analysis for ASD EPSDT

Budget Unit: 90544C
DI# 1886013

| 5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS. | | | | | | | | | |
|--|---------------------|-----------------|----------------------|------------------|------------------------|--------------------|------------------------|--------------------|---------------------------|
| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 4,426,654 | | 7,642,638 | | | | 12,069,292 | | |
| Total PSD | 4,426,654 | | 7,642,638 | | 0 | | 12,069,292 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 4,426,654 | 0.0 | 7,642,638 | 0.0 | 0 | 0.0 | 12,069,292 | 0.0 | 0 |
| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 4,438,120 | | 7,631,172 | | | | 12,069,292 | | |
| Total PSD | 4,438,120 | | 7,631,172 | | 0 | | 12,069,292 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 4,438,120 | 0.0 | 7,631,172 | 0.0 | 0 | 0.0 | 12,069,292 | 0.0 | 0 |

NEW DECISION ITEM
RANK: 23 OF 29

Department: Social Services

Budget Unit: 90544C

Division: MO HealthNet

DI Name Applied Behavioral Analysis for ASD EPSDT

DI# 1886013

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

6a. Provide an effectiveness measure.

6b. Provide an efficiency measure.

N/A

N/A

6c. Provide the number of clients/individuals served, if applicable.

6d. Provide a customer satisfaction measure, if available.

N/A

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---|------------|-------------|------------|-------------|---------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PHYSICIAN RELATED PROF | | | | | | | | |
| ABA for Children with Autism - 1886013 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 12,069,292 | 0.00 | 12,069,292 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 12,069,292 | 0.00 | 12,069,292 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$12,069,292 | 0.00 | \$12,069,292 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$4,426,654 | 0.00 | \$4,438,120 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$7,642,638 | 0.00 | \$7,631,172 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|------------------------------------|------------|-------------|------------------|-------------|------------|-------------|------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| PRIMARY CARE PRACTICE PILOT | | | | | | | | | |
| CORE | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 100,000 | 0.00 | 0 | 0.00 | 0 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 300,000 | 0.00 | 0 | 0.00 | 0 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 400,000 | 0.00 | 0 | 0.00 | 0 | 0.00 | |
| TOTAL | 0 | 0.00 | 400,000 | 0.00 | 0 | 0.00 | 0 | 0.00 | |
| GRAND TOTAL | \$0 | 0.00 | \$400,000 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | |

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Primary Care Practice Pilot

Budget Unit: 90851C

HB Section: 11.456

1. CORE FINANCIAL SUMMARY

| | FY 2017 Budget Request | | | |
|--------------|------------------------|----------|-------|----------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 0 | 0 | | 0 |
| TRF | | | | |
| Total | 0 | 0 | | 0 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

| | FY 2017 Governor's Recommendation | | | |
|--------------|-----------------------------------|----------|-------|----------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 0 | 0 | | 0 |
| TRF | | | | |
| Total | 0 | 0 | | 0 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

2. CORE DESCRIPTION

This core request is to provide funding for a Primary Care Practice Pilot.

3. PROGRAM LISTING (list programs included in this core funding)

Primary Care Practice Pilot.

CORE DECISION ITEM

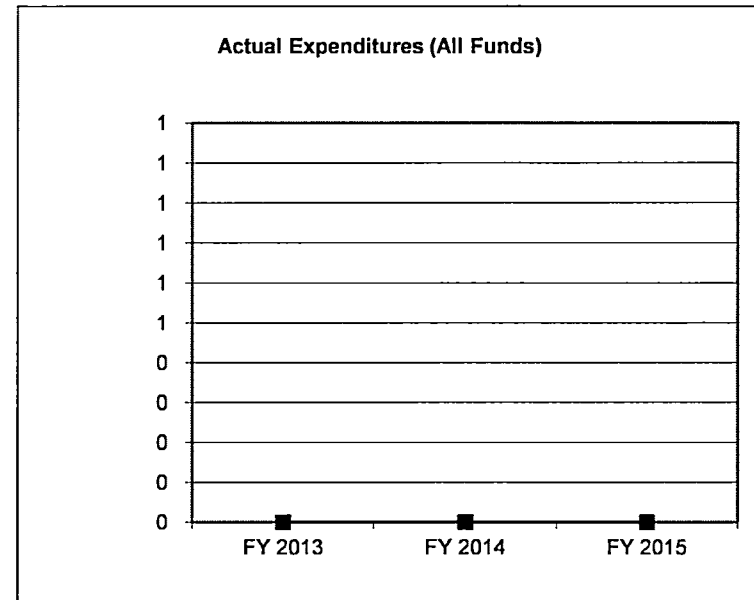
Department: Social Services
Division: MO HealthNet
Core: Primary Care Practice Pilot

Budget Unit: 90851C

HB Section: 11.456

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|
| Appropriation (All Funds) | 0 | 0 | 0 | 400,000 |
| Less Reverted (All Funds) | 0 | 0 | 0 | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 0 | 0 | 0 | N/A |
| Actual Expenditures (All Funds) | 0 | 0 | 0 | N/A |
| Unexpended (All Funds) | 0 | 0 | 0 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 0 | 0 | 0 | N/A |
| Other | 0 | | | N/A |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

Program began in FY16

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES

PRIMARY CARE PRACTICE PILOT

5. CORE RECONCILIATION DETAIL

| | | | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|------------------------------------|-----|------|----|-----------------|-------------|------------------|------------------|----------|------------------|----------------------|
| TAFP AFTER VETOES | | | | | | | | | | |
| | | | | PD | 0.00 | 100,000 | 300,000 | 0 | 400,000 | |
| | | | | Total | 0.00 | 100,000 | 300,000 | 0 | 400,000 | |
| DEPARTMENT CORE ADJUSTMENTS | | | | | | | | | | |
| Core Reduction | 101 | 9399 | PD | 0.00 | | 0 | (300,000) | 0 | (300,000) | Reduction of program |
| Core Reduction | 101 | 9397 | PD | 0.00 | | (100,000) | 0 | 0 | (100,000) | Reduction of program |
| NET DEPARTMENT CHANGES | | | | | 0.00 | (100,000) | (300,000) | 0 | (400,000) | |
| DEPARTMENT CORE REQUEST | | | | | | | | | | |
| | | | | PD | 0.00 | 0 | 0 | 0 | 0 | |
| | | | | Total | 0.00 | 0 | 0 | 0 | 0 | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | | | | |
| | | | | PD | 0.00 | 0 | 0 | 0 | 0 | |
| | | | | Total | 0.00 | 0 | 0 | 0 | 0 | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------------|---------|---------|-----------|---------|----------|----------|---------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PRIMARY CARE PRACTICE PILOT | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 400,000 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 400,000 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$400,000 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$100,000 | 0.00 | \$0 | 0.00 | | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$300,000 | 0.00 | \$0 | 0.00 | | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.456

Program Name: Primary Care Practice Pilot

Program is found in the following core budget(s): Primary Care Practice Pilot

1. What does this program do?

The Primary Care Practic Pilot program is designed to teach primary care practices how to provide coordination of care.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

N/A

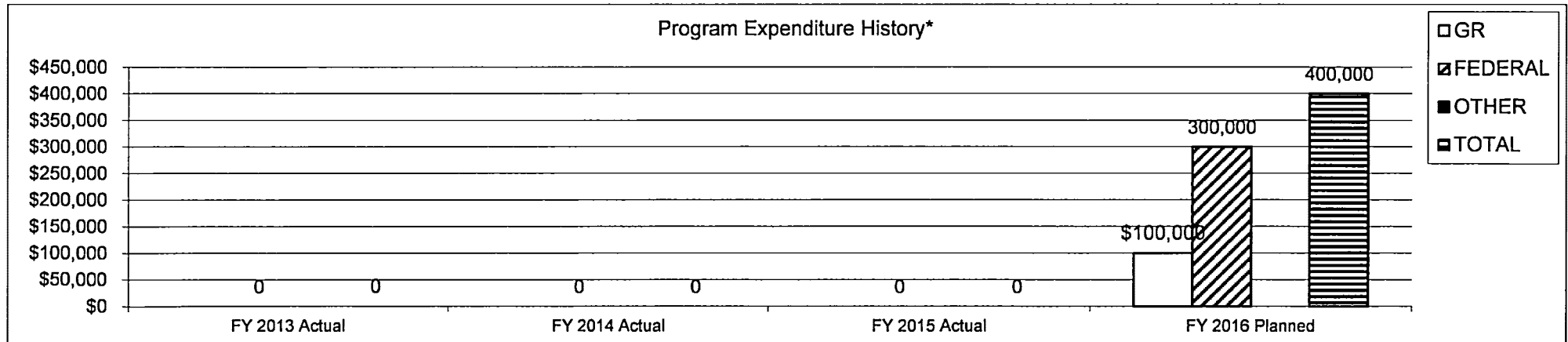
3. Are there federal matching requirements? If yes, please explain.

Yes. States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY16 is a blended 63.323% federal match. The state matching requirement is 36.677%.

4. Is this a federally mandated program? If yes, please explain.

No.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Program started in FY16.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.456

Program Name: Primary Care Practice Pilot

Program is found in the following core budget(s): Primary Care Practice Pilot

6. What are the sources of the "Other" funds?

N/A

7a. Provide an effectiveness measure.

N/A

7b. Provide an efficiency measure.

N/A

7c. Provide the number of clients/individuals served, if applicable.

N/A

7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|---|-------------------|-------------|-------------------|-------------|-------------------|-------------|------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| DENTAL | | | | | | | | | |
| CORE | | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | | |
| GENERAL REVENUE | 4,966 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | |
| TOTAL - EE | 4,966 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 5,091,981 | 0.00 | 837,204 | 0.00 | 837,204 | 0.00 | 185,189 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 9,447,733 | 0.00 | 8,637,115 | 0.00 | 8,637,115 | 0.00 | 2,133,512 | 0.00 | |
| HEALTH INITIATIVES | 69,027 | 0.00 | 71,162 | 0.00 | 71,162 | 0.00 | 71,162 | 0.00 | |
| TAX AMNESTY FUND | 0 | 0.00 | 3,332,529 | 0.00 | 3,332,529 | 0.00 | 0 | 0.00 | |
| HEALTHY FAMILIES TRUST | 848,773 | 0.00 | 848,773 | 0.00 | 848,773 | 0.00 | 848,773 | 0.00 | |
| TOTAL - PD | 15,457,514 | 0.00 | 13,726,783 | 0.00 | 13,726,783 | 0.00 | 3,238,636 | 0.00 | |
| TOTAL | 15,462,480 | 0.00 | 13,726,783 | 0.00 | 13,726,783 | 0.00 | 3,238,636 | 0.00 | |
| Tax Amnesty Fund Replacement - 0000016 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,570,246 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6,138,897 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 9,709,143 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 9,709,143 | 0.00 | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 591,477 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 252,718 | 0.00 | 1,080,904 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 252,718 | 0.00 | 1,672,381 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 252,718 | 0.00 | 1,672,381 | 0.00 | |
| ABLE Accounts - 1886039 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 2,773 | 0.00 | 2,784 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 7,253 | 0.00 | 7,242 | 0.00 | |

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DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|----------------------------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| DENTAL | | | | | | | | | |
| ABLE Accounts - 1886039 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| FEDERAL REIMBURSEMENT ALLOWANCE | 0 | 0.00 | 0 | 0.00 | 1,428 | 0.00 | 1,428 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 11,454 | 0.00 | 11,454 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 11,454 | 0.00 | 11,454 | 0.00 | |
| FMAP Adjustment - 1886023 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 152,015 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 152,015 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 152,015 | 0.00 | |
| GRAND TOTAL | \$15,462,480 | 0.00 | \$13,726,783 | 0.00 | \$13,990,955 | 0.00 | \$14,783,629 | 0.00 | |

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lm_dsummary

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Dental

Budget Unit: 90546C

HB Section: 11.460

1. CORE FINANCIAL SUMMARY

| | FY 2017 Budget Request | | | |
|--------------|------------------------|------------------|------------------|-------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 837,204 | 8,637,115 | 4,252,464 | 13,726,783 |
| TRF | | | | |
| Total | 837,204 | 8,637,115 | 4,252,464 | 13,726,783 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)
Healthy Families Trust Fund (0625)
Tax Amnesty Fund (0470)

| | FY 2017 Governor's Recommendation | | | |
|--------------|-----------------------------------|------------------|----------------|------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 185,189 | 2,133,512 | 919,935 | 3,238,636 |
| TRF | | | | |
| Total | 185,189 | 2,133,512 | 919,935 | 3,238,636 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)
Healthy Families Trust Fund (0625)
Tax Amnesty Fund (0470)

2. CORE DESCRIPTION

This core request is for the continued funding of the dental fee-for-service program. Funding provides dental services for children, pregnant women, the blind, and nursing facility residents (including ICF/IID).

3. PROGRAM LISTING (list programs included in this core funding)

Dental Services

CORE DECISION ITEM

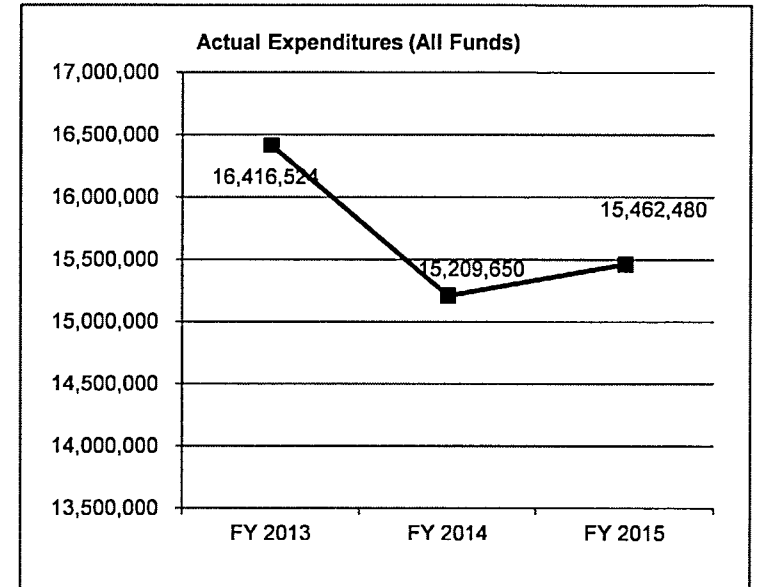
Department: Social Services
Division: MO HealthNet
Core: Dental

Budget Unit: 90546C

HB Section: 11.460

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|
| Appropriation (All Funds) | 20,313,841 | 18,363,160 | 66,100,009 | 66,100,009 |
| Less Reverted (All Funds) | (2,135) | (17,135) | (2,135) | N/A |
| Less Restricted (All Funds) | 0 | 0 | (48,231,947) | N/A |
| Budget Authority (All Funds) | 20,311,706 | 18,346,025 | 17,865,927 | N/A |
| Actual Expenditures (All Funds) | 16,416,524 | 15,209,650 | 15,462,480 | N/A |
| Unexpended (All Funds) | 3,895,182 | 3,136,375 | 2,403,447 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 1,098,464 | 17,300,000 | N/A |
| Federal | 3,895,182 | 1,653,437 | 30,431,947 | N/A |
| Other | 0 | 384,474 | 0 | N/A |
| | | (1) | (2) | |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY14 Rural Dental Clinics Pilot \$485,000 GR and \$750,000 Federal project did not begin due to timeliness of funds being released. Agency reserves of an additional \$168,087 Federal due to match rate and \$384,474 Healthy Families Trust Fund due to lower revenue than anticipated and was offset with a GR supplemental for \$384,474.

(2) FY15 \$17,300,000 GR and corresponding federal match of \$30,431,947 for adult dental benefits restricted.

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Dental

Budget Unit: 90546C

HB Section: 11.460

Cost Per Eligible - Per Member Per Month (PMPM)

| | Dental PMPM* | Acute Care PMPM | Total PMPM | Dental Percentage of Acute | Dental Percentage of Total |
|-------------------|--------------|-----------------|------------|----------------------------|----------------------------|
| PTD | \$1.71 | \$1,074.20 | \$1,961.17 | 0.16% | 0.09% |
| Seniors | \$1.45 | \$368.96 | \$1,565.89 | 0.39% | 0.09% |
| Custodial Parents | \$0.27 | \$473.61 | \$507.28 | 0.06% | 0.05% |
| Children* | \$1.46 | \$274.18 | \$303.51 | 0.53% | 0.48% |
| Pregnant Women | \$2.59 | \$657.06 | \$671.28 | 0.39% | 0.39% |

Source: Table 23 Medical Statistics for Fiscal Year 2015 (Paid Claims Data)

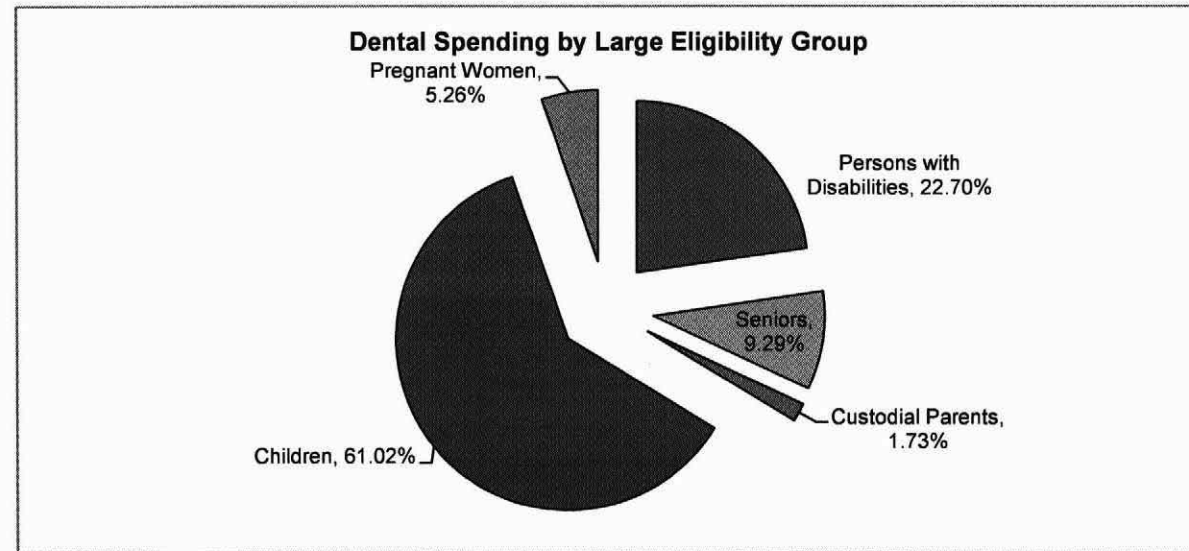
* CHIP eligibles not included

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending. PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for dental care, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, drugs, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the dental PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for dental services. It provides a snapshot of what eligibility groups are receiving the services, as well as the populations impacted by program changes.



Source: Table 23 Medical Statistics for Fiscal Year 2015 (Paid Claims Data)

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES
DENTAL

5. CORE RECONCILIATION DETAIL

| | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|--------------|--------------|-------------|------------------|--------------------|--------------------|---------------------|--|
| TAFP AFTER VETOES | | | | | | | | |
| | PD | | 0.00 | 837,204 | 8,637,115 | 4,252,464 | 13,726,783 | |
| | Total | | 0.00 | 837,204 | 8,637,115 | 4,252,464 | 13,726,783 | |
| DEPARTMENT CORE REQUEST | | | | | | | | |
| | PD | | 0.00 | 837,204 | 8,637,115 | 4,252,464 | 13,726,783 | |
| | Total | | 0.00 | 837,204 | 8,637,115 | 4,252,464 | 13,726,783 | |
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | | |
| Core Reduction | 1617 9885 | PD | 0.00 | 0 | 0 | (3,237,422) | (3,237,422) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1617 9883 | PD | 0.00 | 0 | 0 | (95,107) | (95,107) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1617 9886 | PD | 0.00 | 0 | (5,589,422) | 0 | (5,589,422) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1617 9884 | PD | 0.00 | 0 | (164,181) | 0 | (164,181) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1755 8710 | PD | 0.00 | 0 | (750,000) | 0 | (750,000) | Governor core reduction |
| Core Reduction | 1755 8709 | PD | 0.00 | (500,000) | 0 | 0 | (500,000) | Governor core reduction |
| Core Reduction | 1788 8198 | PD | 0.00 | (152,015) | 0 | 0 | (152,015) | FMAP adjustment |
| NET GOVERNOR CHANGES | | | 0.00 | (652,015) | (6,503,603) | (3,332,529) | (10,488,147) | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | | |
| | PD | | 0.00 | 185,189 | 2,133,512 | 919,935 | 3,238,636 | |
| | Total | | 0.00 | 185,189 | 2,133,512 | 919,935 | 3,238,636 | |

FLEXIBILITY REQUEST FORM

| BUDGET UNIT NUMBER: 90546C BUDGET UNIT NAME: Dental HOUSE BILL SECTION: 11.460 | DEPARTMENT: Social Services DIVISION: MO HealthNet | | | | | | | | | | | | |
|---|---|---|-----------------------|------------------|-----------------------|------------------------------|--------------|-----|-------------|--|--------------|-----|-------------|
| 1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. | | | | | | | | | | | | | |
| DEPARTMENT REQUEST | | | | | | | | | | | | | |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: center;">Core</th> <th style="width: 20%; text-align: center;">% Flex Requested</th> <th style="width: 30%; text-align: center;">Flex Requested Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;"><i>Total Program Request</i></td> <td style="text-align: right;">\$13,467,495</td> <td style="text-align: center;">10%</td> <td style="text-align: right;">\$1,346,750</td> </tr> <tr> <td></td> <td style="text-align: right;">\$13,467,495</td> <td style="text-align: center;">25%</td> <td style="text-align: right;">\$3,366,874</td> </tr> </tbody> </table> | | | Core | % Flex Requested | Flex Requested Amount | <i>Total Program Request</i> | \$13,467,495 | 10% | \$1,346,750 | | \$13,467,495 | 25% | \$3,366,874 |
| | Core | % Flex Requested | Flex Requested Amount | | | | | | | | | | |
| <i>Total Program Request</i> | \$13,467,495 | 10% | \$1,346,750 | | | | | | | | | | |
| | \$13,467,495 | 25% | \$3,366,874 | | | | | | | | | | |
| 2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount. | | | | | | | | | | | | | |
| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | | | | | | | | | | | |
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | 10% flexibility between sections and 25% flexibility between FFS and Managed Care is being requested for FY 17. | | | | | | | | | | | |
| 3. Please explain how flexibility was used in the prior and/or current years. | | | | | | | | | | | | | |
| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE | | | | | | | | | | | | |
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. | | | | | | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|------------------------|--------------|---------|--------------|---------|--------------|----------|-------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| DENTAL | | | | | | | | |
| CORE | | | | | | | | |
| MISCELLANEOUS EXPENSES | 4,966 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| TOTAL - EE | 4,966 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| PROGRAM DISTRIBUTIONS | 15,457,514 | 0.00 | 13,726,783 | 0.00 | 13,726,783 | 0.00 | 3,238,636 | 0.00 |
| TOTAL - PD | 15,457,514 | 0.00 | 13,726,783 | 0.00 | 13,726,783 | 0.00 | 3,238,636 | 0.00 |
| GRAND TOTAL | \$15,462,480 | 0.00 | \$13,726,783 | 0.00 | \$13,726,783 | 0.00 | \$3,238,636 | 0.00 |
| GENERAL REVENUE | \$5,096,947 | 0.00 | \$837,204 | 0.00 | \$837,204 | 0.00 | \$185,189 | 0.00 |
| FEDERAL FUNDS | \$9,447,733 | 0.00 | \$8,637,115 | 0.00 | \$8,637,115 | 0.00 | \$2,133,512 | 0.00 |
| OTHER FUNDS | \$917,800 | 0.00 | \$4,252,464 | 0.00 | \$4,252,464 | 0.00 | \$919,935 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.460

Program Name: Dental

Program is found in the following core budget(s): Dental

1. What does this program do?

Dental services are typically those diagnostic, preventive and corrective procedures provided by a licensed dentist or dental hygienist performing within his/her scope of practice. The dentist must be enrolled in the MO HealthNet program. Generally, dental services include: treatment of the teeth and associated structure of the oral cavity; preparation, fitting and repair of dentures and associated appliances; and treatment of disease, injury or impairments that affect the general oral health of a participant.

For children under 21, pregnant women, the blind, and nursing facility residents (including ICF/IDD) covered services under the dental program include, in part, the following: examinations; fillings; sealants; prophylaxis; fluoride treatments; extractions; anesthesia; crowns; injections; oral surgery; periodontal treatment (in limited cases); pulp treatment; restoration; root canal therapy; x-rays; dentures (full or partial), denture adjustments or repairs, and denture duplication or relines. Orthodontic services, the field of dentistry associated with the correction of abnormally positioned or misaligned teeth, are available only to children under age 21 for the most severe malocclusions.

Since September 1, 2005, MO HealthNet has only covered dental services for adults age 21 and over (except individuals under a category of assistance for pregnant women or the blind or nursing facility residents) if the dental care is related to trauma of the mouth, jaw, teeth or other contiguous sites as a result of injury or for the treatment of a medical condition without which the health of the individual would be adversely affected. Treatment for a medical condition requires a written referral from the participant's physician stating that the absence of dental treatment would adversely affect a stated pre-existing medical condition. Coverage for adults for services in tiers 1-6 is funded in FY 2016 with the Tax Amnesty Fund. For FY 2017, the on-going costs of these services will be funded through General Revenue recommended by the Governor as part of the Tax Amnesty Fund Replacement NDI.

For a dentist to participate in the MO HealthNet program as a provider, the dentist must be licensed by the Missouri Dental Board and have a signed Title XIX Participation Agreement. The services of a dentist may be administered in a variety of settings including the provider's office, a hospital, nursing home or clinic. The fees paid to the provider are based on maximum allowable amounts identified on a fee schedule. Prior authorization is required for certain services, such as: orthodontic treatment; composite resin crowns; metallic and porcelain/ceramic inlay restorations; and high noble metal crowns.

A copayment, a portion of the providers' charges paid by the participant, is required on many dental services. Participants under age 19, hospice participants, participants who reside in nursing facilities, residential care facilities, psychiatric hospitals or adult boarding homes, and participants age 18-21 in foster care are exempt from copayments. The copayment, in accordance with title 42 Code of Federal Regulations part 447.54, is based on the lesser of the provider's usual charge for the service or the maximum allowable amount. The copayment is \$.50 for charges of \$10.00 or less, \$1.00 for \$10.01 to \$25.00, \$2.00 for \$25.01 to \$50.00 and \$3.00 for charges of \$50.01 or more. Generally, MHD reimburses the minimum amount allowed less any third-party liability (TPL) amounts.

Rate Change History:

- 7/1/2008: Maximum allowable reimbursement rates were increased to 38.5% of the 50th percentile of the usual and customary rate listed in the 2007 National Dental Advisory Service (NDAS) Comprehensive Fee Report.
- 7/1/2009: Maximum allowable reimbursement rates were increased to 38.75% of the 50th percentile of the usual and customary rate listed in the 2007 NDAS.
- 1/1/2016: 3% rate increase based on tax amnesty.

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Dental
Program is found in the following core budget(s): Dental

HB Section: 11.460

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State Statute: RSMo. 208.152, 208.166; Federal law: Social Security Act Section 1905(a)(10); Federal regulation: 42 CFR 440.100

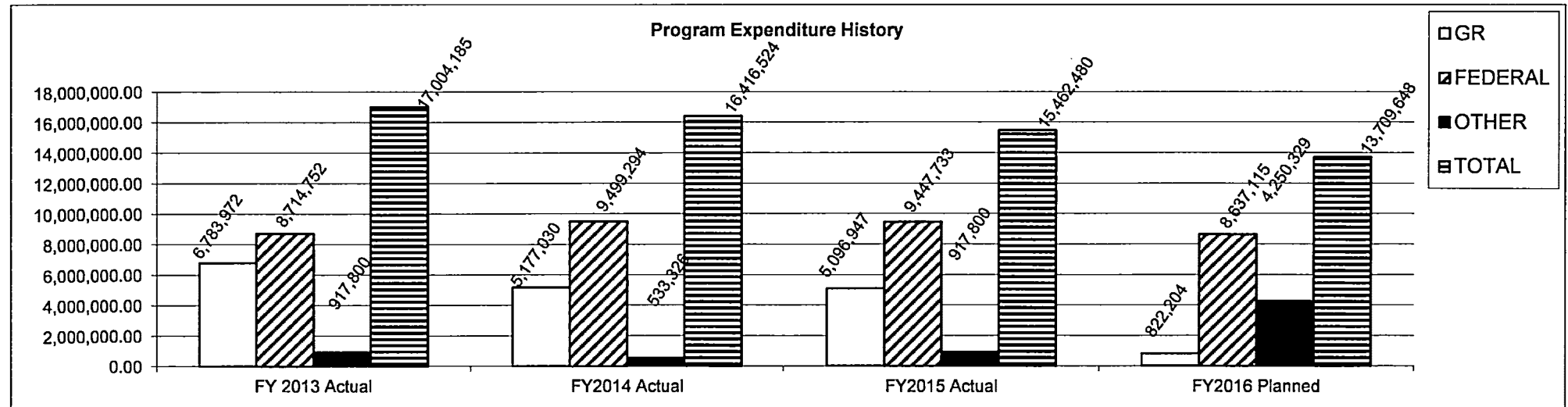
3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY16 is a blended 63.323% federal match. The state matching requirement is 36.677%.

4. Is this a federally mandated program? If yes, please explain.

Yes, only for children.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2016 planned is net of reverted and reserved.

6. What are the sources of the "Other " funds?

Health Initiatives Fund (0275) and Healthy Families Trust Fund (0625).

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.460

Program Name: Dental

Program is found in the following core budget(s): Dental

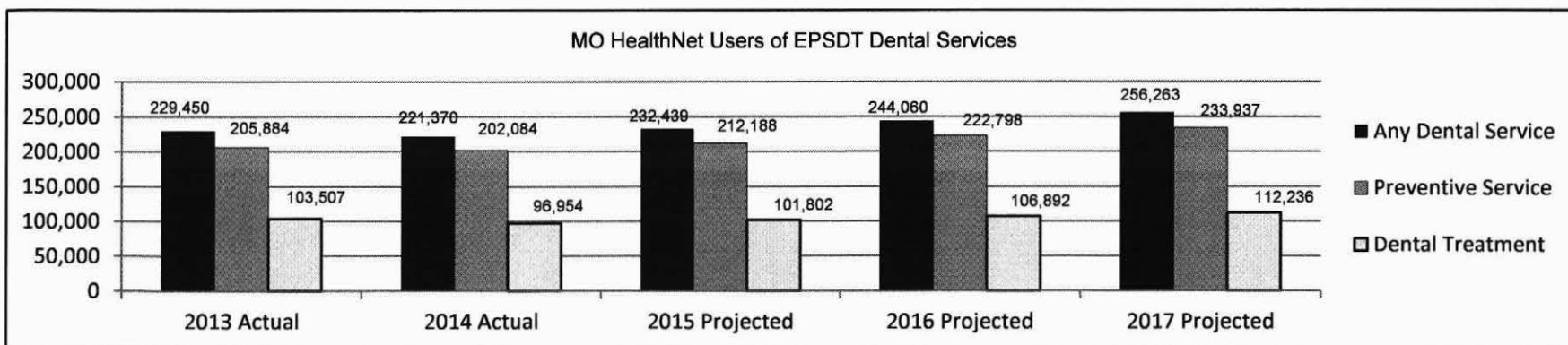
7a. Provide an effectiveness measure.

Maintain or increase the ratio of participants who receive EPSDT screenings. The purpose of the Early Periodic Screening Diagnosis and Treatment/ Healthy Children and Youth (EPSDT/HCY) program is to ensure a comprehensive, preventive health care program for Missouri. The HCY program provides early and periodic medical, dental, vision, and hearing screening, diagnosis and treatment to ameliorate defects and chronic conditions found during the screening. A dental screening is available to children from birth until they become 21 years of age.

EPSDT Participant Ratio

| * Federal Fiscal Year | Participants Who Should Have Received a Screening | Participants Who Received At Least One Screening | Percent |
|-----------------------|---|--|---------|
| 2011 Actual | 420,877 | 314,555 | 75% |
| 2012 Actual | 429,478 | 320,844 | 75% |
| 2013 Actual | 409,698 | 304,131 | 74% |
| 2014 Actual | 395,881 | 278,040 | 70% |
| 2015 Projected | 395,881 | 278,040 | 70% |
| 2016 Projected | 395,881 | 278,040 | 70% |
| 2017 Projected | 395,881 | 278,040 | 70% |

*Based on federal fiscal year in which report was submitted to CMS.



Note: Data includes both fee-for-service and Managed Care. Based on federal fiscal year in which report was submitted to CMS.

PROGRAM DESCRIPTION

Department: Social Services

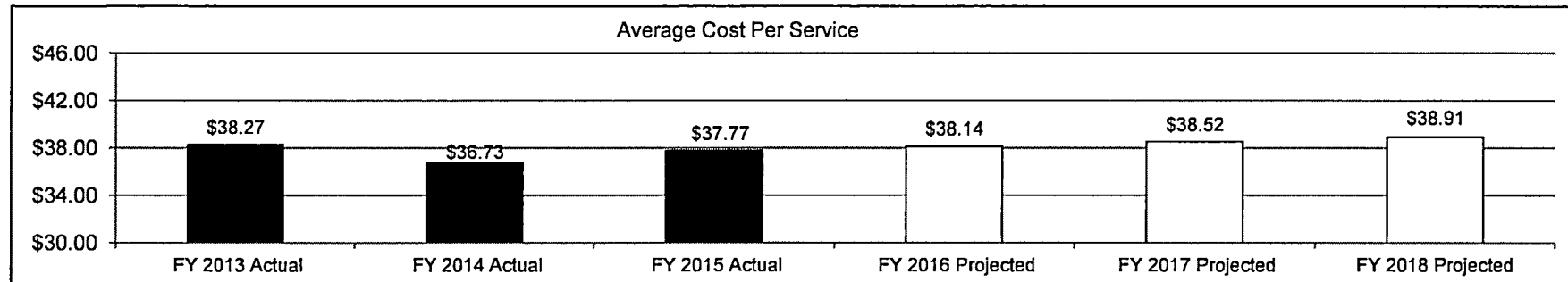
HB Section: 11.460

Program Name: Dental

Program is found in the following core budget(s): Dental

7b. Provide an efficiency measure.

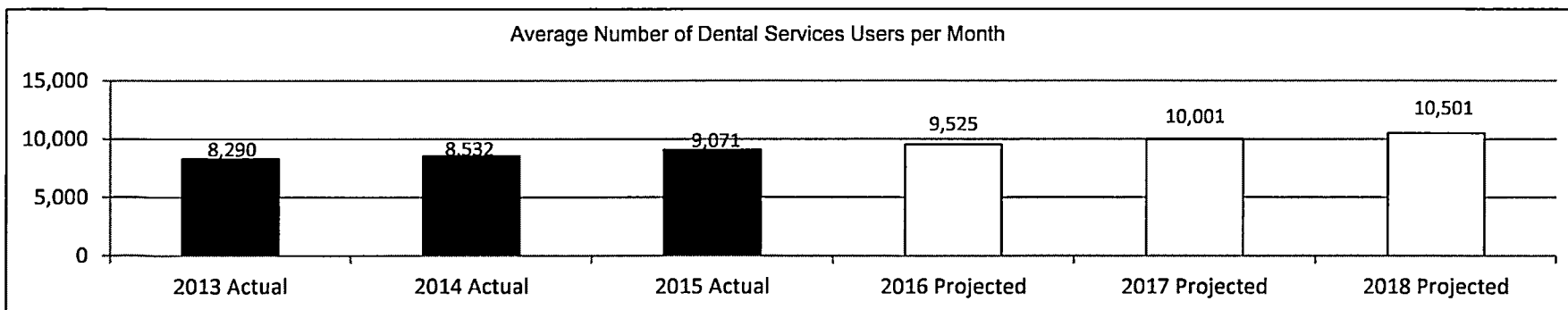
Provide adequate dental services to MO HealthNet recipients with the funds appropriated.



7c. Provide the number of clients/individuals served, if applicable.

Effective September 1, 2005 dental services are available only to children, pregnant women, the blind, and nursing facility residents (including ICF/IID). Dental services are available to other adults if the dental care was related to trauma or a disease/medical condition. Qualified Medicare Beneficiaries (QMB) are not eligible for dental services. In the regions of the state where managed care has been implemented, children and pregnant women have dental services available through the managed care health plans.

SB 577 (2007) provided medically necessary dental services for adults; however, funding was not appropriated until FY 2016 for these services. Coverage for adults for services in tiers 1-6 is funded in FY 2016 with the Tax Amnesty Fund.



Source: Table 23 Medical Statistics for Fiscal Year 2015 (Paid Claims Data)

7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|--|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| PREMIUM PAYMENTS | | | | | | | | | |
| CORE | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 70,214,205 | 0.00 | 65,720,861 | 0.00 | 65,720,861 | 0.00 | 64,859,707 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 124,358,199 | 0.00 | 128,087,018 | 0.00 | 128,087,018 | 0.00 | 128,087,018 | 0.00 | |
| TOTAL - PD | 194,572,404 | 0.00 | 193,807,879 | 0.00 | 193,807,879 | 0.00 | 192,946,725 | 0.00 | |
| TOTAL | 194,572,404 | 0.00 | 193,807,879 | 0.00 | 193,807,879 | 0.00 | 192,946,725 | 0.00 | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 6,598,374 | 0.00 | 9,476,755 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 13,082,283 | 0.00 | 17,541,504 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 19,680,657 | 0.00 | 27,018,259 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 19,680,657 | 0.00 | 27,018,259 | 0.00 | |
| Premium Increase - 1886006 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 3,196,563 | 0.00 | 6,962,621 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 6,260,217 | 0.00 | 13,656,472 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 9,456,780 | 0.00 | 20,619,093 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 9,456,780 | 0.00 | 20,619,093 | 0.00 | |
| FMAP Adjustment - 1886023 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 861,154 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 861,154 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 861,154 | 0.00 | |
| GRAND TOTAL | \$194,572,404 | 0.00 | \$193,807,879 | 0.00 | \$222,945,316 | 0.00 | \$241,445,231 | 0.00 | |

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im_disummary

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Premium Payments

Budget Unit: 90547C

HB Section: 11.465

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | |
|------------------------|-------------------|--------------------|-------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 65,720,861 | 128,087,018 | | 193,807,879 |
| TRF | | | | |
| Total | 65,720,861 | 128,087,018 | | 193,807,879 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

| FY 2017 Governor's Recommendation | | | | |
|-----------------------------------|-------------------|--------------------|-------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 64,859,707 | 128,087,018 | | 192,946,725 |
| TRF | | | | |
| Total | 64,859,707 | 128,087,018 | | 192,946,725 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

2. CORE DESCRIPTION

This core request is for the ongoing funding for premium payments for health insurance through the following MO HealthNet programs: Medicare Buy-In and the Health Insurance Premium Payment (HIPP) program.

3. PROGRAM LISTING (list programs included in this core funding)

Premium Payments Program:
Medicare Part A and Part B Buy-In
Health Insurance Premium Payment (HIPP) Program

CORE DECISION ITEM

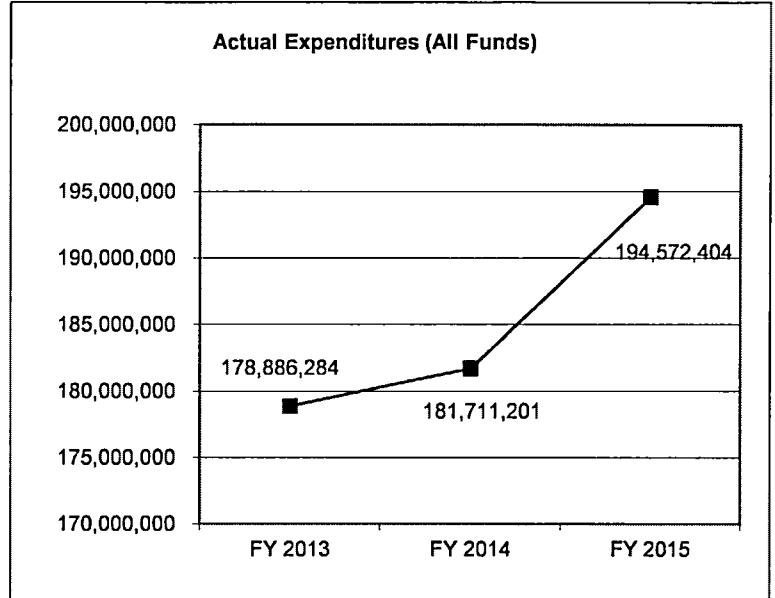
Department: Social Services
Division: MO HealthNet
Core: Premium Payments

Budget Unit: 90547C

HB Section: 11.465

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|
| Appropriation (All Funds) | 178,886,284 | 181,712,730 | 200,219,496 | 193,807,879 |
| Less Reverted (All Funds) | 0 | 0 | 0 | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 178,886,284 | 181,712,730 | 200,219,496 | N/A |
| Actual Expenditures (All Funds) | 178,886,284 | 181,711,201 | 194,572,404 | N/A |
| Unexpended (All Funds) | 0 | 1,529 | 5,647,092 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 581 | 0 | N/A |
| Federal | 0 | 948 | 5,047,092 | N/A |
| Other | 0 | 0 | | N/A |
| | (1) | (2) | | |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY13 Expenditures of \$7,112,098 were paid out of the supplemental pool.

(2) FY14 Expenditures of \$11,059,968 were paid out of the supplemental pool.

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Premium Payments

Budget Unit: 90547C

HB Section: 11.465

Cost Per Eligible - Per Member Per Month (PMPM)

| | Premium Payments PMPM* | Acute Care PMPM | Total PMPM | Premium Payments Percentage of Acute | Premium Payments Percentage of Total |
|-------------------|------------------------|-----------------|------------|--------------------------------------|--------------------------------------|
| PTD | \$52.09 | \$1,074.20 | \$1,961.17 | 4.85% | 2.66% |
| Seniors | \$101.88 | \$368.96 | \$1,565.89 | 27.61% | 6.51% |
| Custodial Parents | \$0.07 | \$473.61 | \$507.28 | 0.01% | 0.01% |
| Children* | \$0.00 | \$274.18 | \$303.51 | 0.00% | 0.00% |
| Pregnant Women | \$0.00 | \$657.06 | \$671.28 | 0.00% | 0.00% |

Source: Table 23 Medical Statistics for Fiscal Year 2015 (Paid Claims Data).

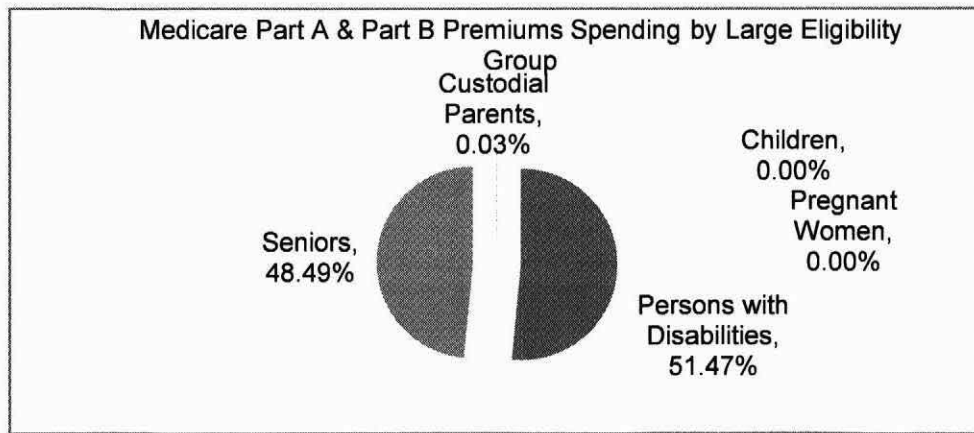
* CHIP eligibles not included

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending. PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for premium payments, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, drugs, managed care payments, Medicare co-pay/deductibles and other acute services administered by MHD. It does not include nursing facilities, in-home services, mental health services and state institutions. By comparing the premium payments PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for the Premium Payments core. It provides a snapshot of what eligibility groups participate, as well as the populations impacted by program changes.



Source: Table 23 Medical Statistics for Fiscal Year 2015 (Paid Claims Data).

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES PREMIUM PAYMENTS

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|-----------------|-------------|-------------------|--------------------|----------|--------------------|---------------------------|
| TAFP AFTER VETOES | | | | | | | |
| | PD | 0.00 | 65,720,861 | 128,087,018 | 0 | 193,807,879 | |
| | Total | 0.00 | 65,720,861 | 128,087,018 | 0 | 193,807,879 | |
| DEPARTMENT CORE REQUEST | | | | | | | |
| | PD | 0.00 | 65,720,861 | 128,087,018 | 0 | 193,807,879 | |
| | Total | 0.00 | 65,720,861 | 128,087,018 | 0 | 193,807,879 | |
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | |
| Core Reduction | 1789 8200 | PD | 0.00 | (861,154) | 0 | 0 | (861,154) FMAP adjustment |
| NET GOVERNOR CHANGES | | | 0.00 | (861,154) | 0 | 0 | (861,154) |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | |
| | PD | 0.00 | 64,859,707 | 128,087,018 | 0 | 192,946,725 | |
| | Total | 0.00 | 64,859,707 | 128,087,018 | 0 | 192,946,725 | |

FLEXIBILITY REQUEST FORM

| | |
|-----------------------------------|------------------------------------|
| BUDGET UNIT NUMBER: 90547C | DEPARTMENT: Social Services |
| BUDGET UNIT NAME: Premium | |
| HOUSE BILL SECTION: 11.465 | DIVISION: MO HealthNet |

1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.

DEPARTMENT REQUEST

| | Core | % Flex Requested | Flex Requested Amount |
|------------------------------|---------------|------------------|-----------------------|
| <i>Total Program Request</i> | \$193,807,879 | 10% | \$19,380,788 |
| | \$193,807,879 | 25% | \$48,451,969.75 |

2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.

| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED |
|---|---|---|
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | 10% flexibility between sections and 25% flexibility between FFS and Managed Care is being requested for FY 17. |

3. Please explain how flexibility was used in the prior and/or current years.

| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE |
|----------------------------------|--|
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------|---------------|---------|---------------|---------|---------------|----------|---------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PREMIUM PAYMENTS | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 194,572,404 | 0.00 | 193,807,879 | 0.00 | 193,807,879 | 0.00 | 192,946,725 | 0.00 |
| TOTAL - PD | 194,572,404 | 0.00 | 193,807,879 | 0.00 | 193,807,879 | 0.00 | 192,946,725 | 0.00 |
| GRAND TOTAL | \$194,572,404 | 0.00 | \$193,807,879 | 0.00 | \$193,807,879 | 0.00 | \$192,946,725 | 0.00 |
| GENERAL REVENUE | \$70,214,205 | 0.00 | \$65,720,861 | 0.00 | \$65,720,861 | 0.00 | \$64,859,707 | 0.00 |
| FEDERAL FUNDS | \$124,358,199 | 0.00 | \$128,087,018 | 0.00 | \$128,087,018 | 0.00 | \$128,087,018 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.465

Program Name: Premium Payments

Program is found in the following core budget(s): Premium Payments

1. What does this program do?

This program pays for health insurance premiums for eligible participants. Payments include premiums for Medicare Part A, Medicare Part B, and group health insurance premiums provided pursuant to the Health Insurance Premium Payment (HIPP) program. Payment of these premiums allows for MO HealthNet to transfer medical costs from the MO HealthNet program to Medicare and other payers.

Beneficiary Categories

- Hospital insurance—Medicare Part A—helps pay for inpatient care in a hospital or skilled nursing facility (following a hospital stay), hospice, and some home health care.
- Medical insurance—Medicare Part B—helps pay for doctors' services and many other medical services and supplies that are not otherwise covered by hospital insurance.
- Qualified Medicare Beneficiaries (QMBs) are Medicare recipients whose income is between 85% and 100% of the FPL. MO HealthNet pays both Part B Premiums and some Part A premiums and co-pays and deductibles for Medicare approved services.
- Specified Low Income Medicare Beneficiary (SLMB) is a Medicare recipient whose income is between 100% and 120% of the FPL. MO HealthNet pays only Part B premiums.
- Qualifying Individual (QI) is a Medicare recipient whose income is between 120% and 135% of the FPL. MO HealthNet pays only Part B premiums.

Medicare Buy-In

The purpose of buy-in is to permit the state, as part of its total assistance plan, to provide Medicare protection to certain groups of eligible individuals. The Medicare Buy-in Program allows states to enroll certain groups of eligible individuals in the Medicare Part A and Part B program and pay their premiums to transfer medical costs from the Title XIX Medicaid program to the Medicare program - Title XVIII. This process allows the state to realize cost savings through substitution of Medicare liability for the majority of the medical costs before a provider may seek reimbursement for the remaining uncompensated portion of the services. Missouri holds two types of buy-in agreements - "1634 agreements" and "209b". States with "1634 agreements" have the same Medicaid eligibility standards as the Supplemental Security Income (SSI) program. States with more restrictive eligibility standards for Medicaid are "209b" states. The "209b" states make their own buy-in determinations. Missouri is a "209b" state. The buy-in for Part A began in FY 1990 (September 1989). The Part B buy-in has been a MO HealthNet service since January 1968.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.465

Program Name: Premium Payments

Program is found in the following core budget(s): Premium Payments

Medicare Part A, Part B, and Qualified Individual Premiums (per month)

| | Part A | Part B & QI |
|------|----------|-------------|
| CY06 | \$393.00 | \$88.50 |
| CY07 | \$410.00 | \$93.50 |
| CY08 | \$423.00 | \$96.40 |
| CY09 | \$443.00 | \$96.40 |
| CY10 | \$461.00 | \$110.50 |
| CY11 | \$450.00 | \$115.40 |
| CY12 | \$451.00 | \$99.90 |
| CY13 | \$441.00 | \$104.90 |
| CY14 | \$426.00 | \$104.90 |
| CY15 | \$407.00 | \$104.90 |

Health Insurance Premium Payment

The purpose of the Health Insurance Premium Payment (HIPP) program is to pay for the cost of commercial or employer sponsored health insurance including premiums, coinsurance, and deductibles instead of the full cost of MO HealthNet benefits. The program pays for health insurance for MO HealthNet eligibles when it is determined to be "cost effective". "Cost effective" means that it costs less to buy other health insurance to cover medical care than to pay for the same services with MO HealthNet funds. Cost effectiveness is determined by comparing the cost of the medical coverage (includes premium payments, coinsurance, and deductibles) with the average cost of each MO HealthNet eligible person in the household. The average cost of each MO HealthNet participant is calculated based on the previous year's MO HealthNet expenditures with like demographic data: age; sex; geographic location (county); type of assistance (MO HealthNet for Families - MAF, Old Age Assistance - OAA, and disabled); and the types of services covered by the group insurance. The HIPP program has been a MO HealthNet program since September 1992.

Provisions of Omnibus Budget Reconciliation Act of 1990 (OBRA 90) require states to purchase group health insurance (such as an employer sponsored insurance) for an eligible MO HealthNet participant when it is more cost-effective to buy health insurance to cover medical care than to pay for an equivalent set of services with MO HealthNet funds.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo 208.153; Federal law: Social Security Act Section 1905(p)(1), 1902(a)(10) and 1906; Federal Regulation: 42 CFR 406.26 and 431.625

3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the annual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY16 is a blended 63.323% federal match. The state matching requirement is 36.677%. 100% federal funds for QI.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.465

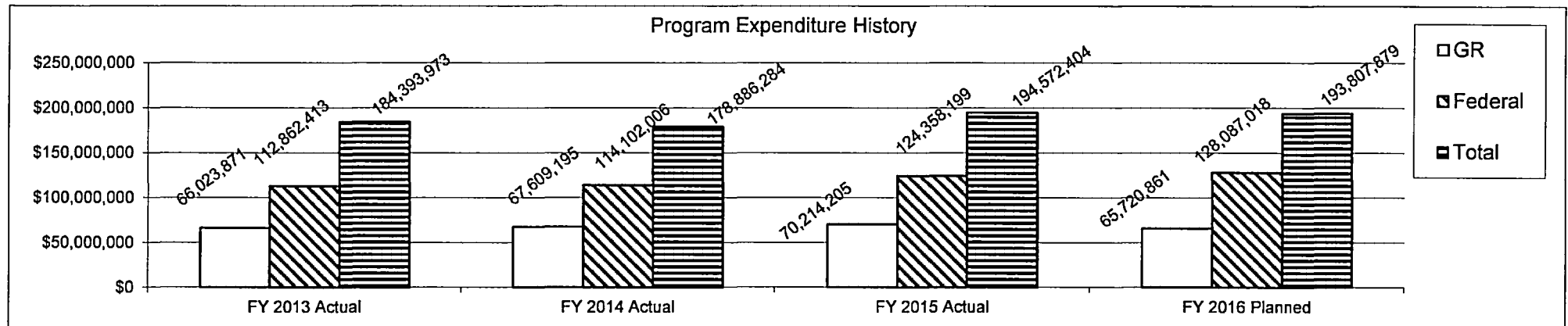
Program Name: Premium Payments

Program is found in the following core budget(s): Premium Payments

4. Is this a federally mandated program? If yes, please explain.

Yes, if the state elects to have a Medicaid program.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

N/A

PROGRAM DESCRIPTION

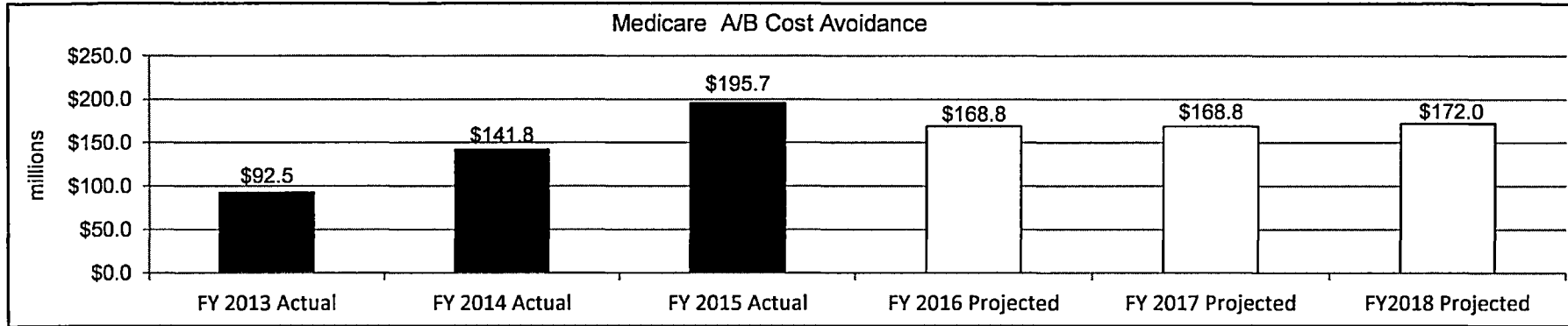
Department: Social Services
Program Name: Premium Payments

HB Section: 11.465

Program is found in the following core budget(s): Premium Payments

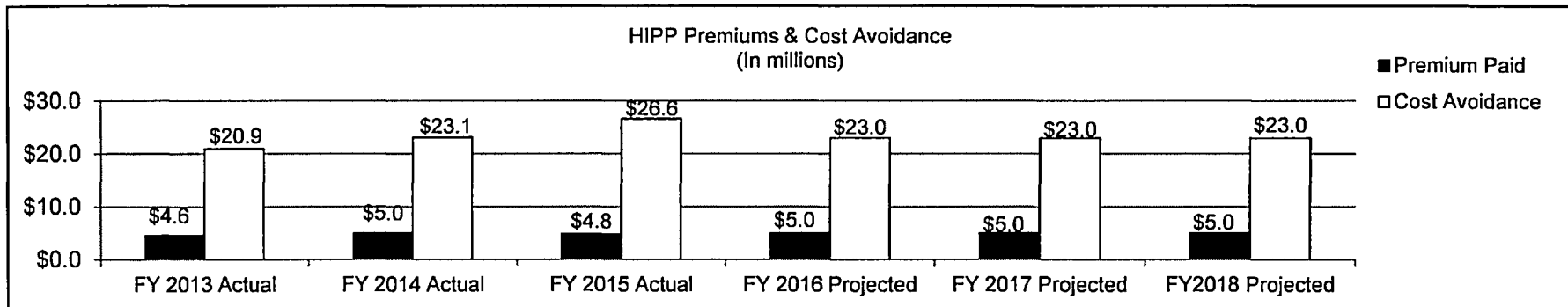
7a. Provide an effectiveness measure.

Increase cost avoidance by paying Medicare premiums for dual eligibles. By paying Medicare premiums for dual eligibles, the MO HealthNet avoided over \$195.7 million in SFY 2015 as shown in the chart below



7b. Provide an efficiency measure.

Increase cost avoidance by paying for health insurance premiums, coinsurance, and deductibles for MO HealthNet eligibles when it is cost effective to do so. In FY15, the MO HealthNet Division paid \$4.8 million for health insurance premiums, coinsurance and deductibles and avoided \$26.6 million in costs.

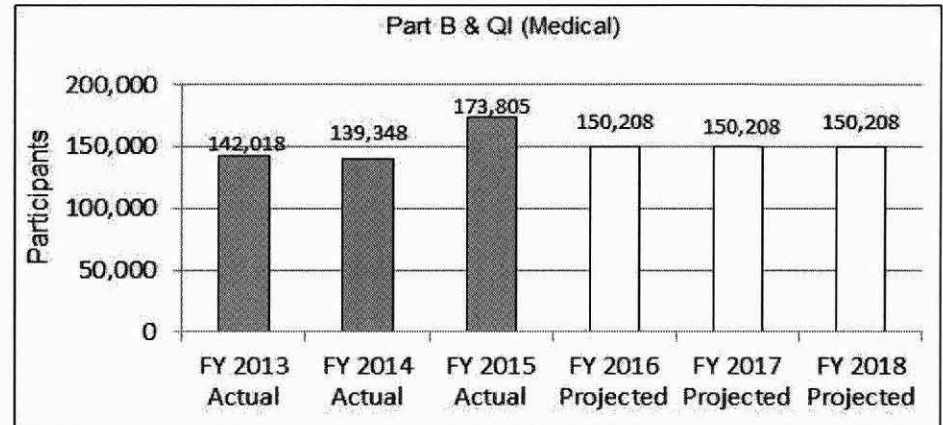
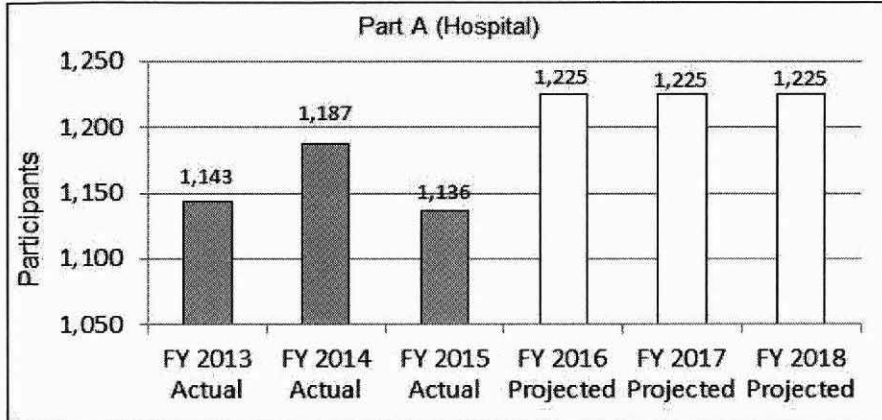


PROGRAM DESCRIPTION

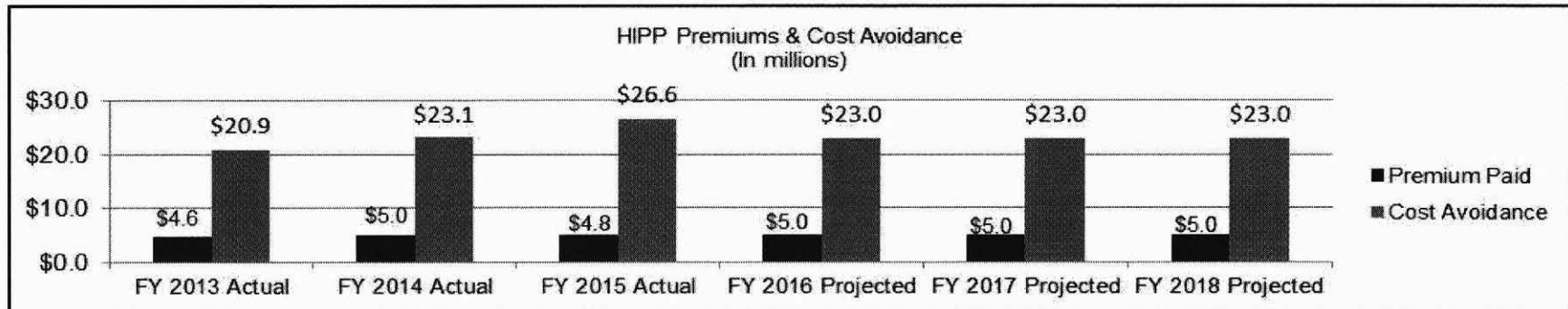
Department: Social Services
 Program Name: Premium Payments
 Program is found in the following core budget(s): Premium Payments

HB Section: 11.465

7c. Provide the number of clients/individuals served, if applicable.



Increase of FY2015 participants is due to processing backlog of Part B Participants.



Participants:
 Part A (Hospital) premium payments can be made for Qualified Medicare Beneficiaries (QMBs) and Qualified Disabled Working Individuals.
 Part B (Medical) premium payments can be made for Individuals meeting certain income standards, QMBs, and Specified Low-Income Medicare Beneficiaries.
 HIPP: Provisions of OBRA 90 require states to purchase group health insurance for a MO HealthNet participant when it is more cost effective to buy health insurance to cover medical care than to pay for an equivalent set of services with MO HealthNet funds.

7d. Provide a customer satisfaction measure, if available.

N/A

NEW DECISION ITEM

RANK:

17 OF:

29

Department: Social Services
 Division: MO HealthNet
 DI Name: Medicare Premium Increases

Budget Unit: 90547C

DI#: 1886006

1. AMOUNT OF REQUEST

| | FY 2017 Budget Request | | | |
|--------------|------------------------|------------------|----------|------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 3,196,563 | 6,260,217 | 0 | 9,456,780 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 3,196,563 | 6,260,217 | 0 | 9,456,780 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

| | FY 2017 Governor's Recommendation | | | |
|--------------|-----------------------------------|-------------------|----------|-------------------|
| | GR | Federal | Other | Total |
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | 6,962,621 | 13,656,472 | 0 | 20,619,093 |
| TRF | 0 | 0 | 0 | 0 |
| Total | 6,962,621 | 13,656,472 | 0 | 20,619,093 |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | |
|---|--|--|
| <input checked="" type="checkbox"/> New Legislation | <input type="checkbox"/> New Program | <input type="checkbox"/> Fund Switch |
| <input checked="" type="checkbox"/> Federal Mandate | <input type="checkbox"/> Program Expansion | <input type="checkbox"/> Cost to Continue |
| <input type="checkbox"/> GR Pick-Up | <input type="checkbox"/> Space Request | <input type="checkbox"/> Equipment Replacement |
| <input type="checkbox"/> Pay Plan | <input type="checkbox"/> Other: | |

3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding is requested for anticipated Medicare Part A and Part B increases.

Federal law mandates that the Medicare Part A and Part B premiums cover a certain percentage of the cost of the Medicare program. Medicare Part A and Part B premiums are adjusted each January. Current premium rates (effective January 2015) are \$407 per month for Part A and \$104.90 per month for Part B. MO HealthNet projects the Part A premium to increase \$4 beginning January 2016 and \$5 in January 2017. Part B premium rates are projected to increase \$16.90 beginning January 2016 and another \$5 each in January 2017. This request is for six months of funding for the calendar year 2016 premium increase and six months of funding for the expected premium increase for calendar year 2017.

The Federal Authority is Social Security Act Section 1905(p)(1), 1902(a)(10), and 1906 and Federal Regulations 42 CFR 406.26 and 431.625. The State Authority is RSMo 208.153.

NEW DECISION ITEM

RANK: 17

OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: Medicare Premium Increases

Budget Unit: 90547C
DI#: 1886006

4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)

Projected participants are based on historical data. The projected premium increases are based on the average increases in premiums for the last few years as well as other information sources. The federal matching rate used is the blended FY16 FMAP of 63.32%. States are only required to pay the federal share for QIs (Qualified Individual). A QI is an individual with income between 120% and 135% of the federal poverty level with assets of \$6,000 per individual and \$9,000 per couple indexed each year according to Consumer Price Index.

| Department Request: | Part A | Part B | QI | Governor's Recommendation: | Part A | Part B | QI | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|---|--------------------|---------------------|-------------------------------------|-----------------|---------------------|--------------------|--------|----------------|-----------|-----------|-----------|-----------|---------|--|---------|--------------|--------------------|--------------------|--------------------|--|--|--|--|--|-------|----|---------|----------------|--------|----------|----------|----------------|------------|-------------|--------------|-----------|-----------|-----|-------------|--------------|-------------------|--------------------|---------------------|--|
| Eligibles per month (FY16) | 1,179 | 144,076 | 12,358 | Eligibles per month (FY16) | 1,179 | 144,076 | 12,358 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium Increase (1/16) | \$5.00 | \$5.00 | \$5.00 | Premium Increase (1/16) | \$4.00 | \$16.90 | \$16.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium Increase (1/17) | \$5.00 | \$5.00 | \$5.00 | Premium Increase (1/17) | \$5.00 | \$5.00 | \$5.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Calendar Year 2016 Increase:</u> | | | | <u>Calendar Year 2016 Increase:</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average eligibles per month | 1,179 | 144,076 | 12,358 | Average eligibles per month | 1,179 | 144,076 | 12,358 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium increase for 2016 | \$5.00 | \$5.00 | \$5.00 | Premium increase for 2016 | \$4.00 | \$16.90 | \$16.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of months to increase | 6 | 6 | 6 | Number of months to increase | 6 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Projected increase 7/16 - 12/16 | 35,370 | 4,322,280 | 370,740 | Projected increase 7/16 - 12/16 | 28,296 | 14,609,306 | 1,253,101 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Calendar Year 2017 Increase:</u> | | | | <u>Calendar Year 2017 Increase:</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average eligibles per month | 1,179 | 144,076 | 12,358 | Average eligibles per month | 1,179 | 144,076 | 12,358 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium increase for 2017 | \$5.00 | \$5.00 | \$5.00 | Premium increase for 2017 | \$5.00 | \$5.00 | \$5.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of months to increase | 6 | 6 | 6 | Number of months to increase | 6 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Projected increase 1/17 - 6/17 | 35,370 | 4,322,280 | 370,740 | Projected increase 1/17 - 6/17 | 35,370 | 4,322,280 | 370,740 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$70,740 | \$8,644,560 | \$741,480 | Total | \$63,666 | \$18,931,586 | \$1,623,841 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table><tr><th>Total</th><th>GR</th><th>Federal</th></tr><tr><td>Part A Request</td><td>70,740</td><td>25,950</td><td>44,790</td></tr><tr><td>Part B Request</td><td>8,644,560</td><td>3,170,613</td><td>5,473,947</td></tr><tr><td>Part B QI</td><td>741,480</td><td></td><td>741,480</td></tr><tr><td>Total</td><td>\$9,456,780</td><td>\$3,196,563</td><td>\$6,260,217</td></tr></table> | Total | GR | Federal | Part A Request | 70,740 | 25,950 | 44,790 | Part B Request | 8,644,560 | 3,170,613 | 5,473,947 | Part B QI | 741,480 | | 741,480 | Total | \$9,456,780 | \$3,196,563 | \$6,260,217 | | | | | <table><tr><th>Total</th><th>GR</th><th>Federal</th></tr><tr><td>Part A Request</td><td>63,666</td><td>\$23,358</td><td>\$40,308</td></tr><tr><td>Part B Request</td><td>18,931,586</td><td>\$6,939,263</td><td>\$11,992,323</td></tr><tr><td>Part B QI</td><td>1,623,841</td><td>\$0</td><td>\$1,623,841</td></tr><tr><td>Total</td><td>20,619,093</td><td>\$6,962,621</td><td>\$13,656,472</td></tr></table> | Total | GR | Federal | Part A Request | 63,666 | \$23,358 | \$40,308 | Part B Request | 18,931,586 | \$6,939,263 | \$11,992,323 | Part B QI | 1,623,841 | \$0 | \$1,623,841 | Total | 20,619,093 | \$6,962,621 | \$13,656,472 | |
| Total | GR | Federal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part A Request | 70,740 | 25,950 | 44,790 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part B Request | 8,644,560 | 3,170,613 | 5,473,947 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part B QI | 741,480 | | 741,480 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$9,456,780 | \$3,196,563 | \$6,260,217 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | GR | Federal | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part A Request | 63,666 | \$23,358 | \$40,308 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part B Request | 18,931,586 | \$6,939,263 | \$11,992,323 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part B QI | 1,623,841 | \$0 | \$1,623,841 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 20,619,093 | \$6,962,621 | \$13,656,472 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Fed. only | | | | Fed. only | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

NEW DECISION ITEM

RANK: 17

OF: 29

Department: Social Services
 Division: MO HealthNet
 DI Name: Medicare Premium Increases

Budget Unit: 90547C

DI#: 1886006

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS |
|-------------------------------|------------------------|--------------------|-------------------------|---------------------|------------------------------|-----------------------|------------------------------|-----------------------|---------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 3,196,563 | | 6,260,217 | | 0 | | 9,456,780 | | |
| Total PSD | 3,196,563 | | 6,260,217 | | 0 | | 9,456,780 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 3,196,563 | 0.0 | 6,260,217 | 0.0 | 0 | 0.0 | 9,456,780 | 0.0 | 0 |

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|-------------------------------|-----------------------|-------------------|---------------------------|--------------------|-----------------------------|----------------------|-----------------------------|----------------------|--------------------------------|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 |
| Program Distributions | 6,962,621 | | 13,656,472 | | | | 20,619,093 | | |
| Total PSD | 6,962,621 | | 13,656,472 | | 0 | | 20,619,093 | | 0 |
| Transfers | | | | | | | | | |
| Total TRF | 0 | | 0 | | 0 | | 0 | | 0 |
| Grand Total | 6,962,621 | 0.0 | 13,656,472 | 0.0 | 0 | 0.0 | 20,619,093 | 0.0 | 0 |

NEW DECISION ITEM
RANK: 17 OF: 29

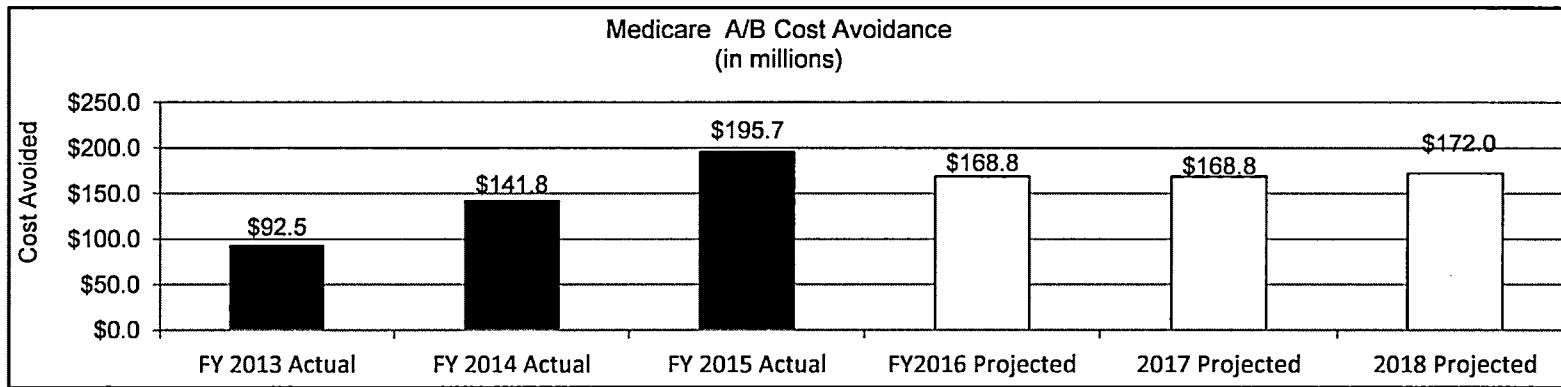
Department: Social Services
Division: MO HealthNet
DI Name: Medicare Premium Increases

Budget Unit: 90547C
DI#: 1886006

6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)

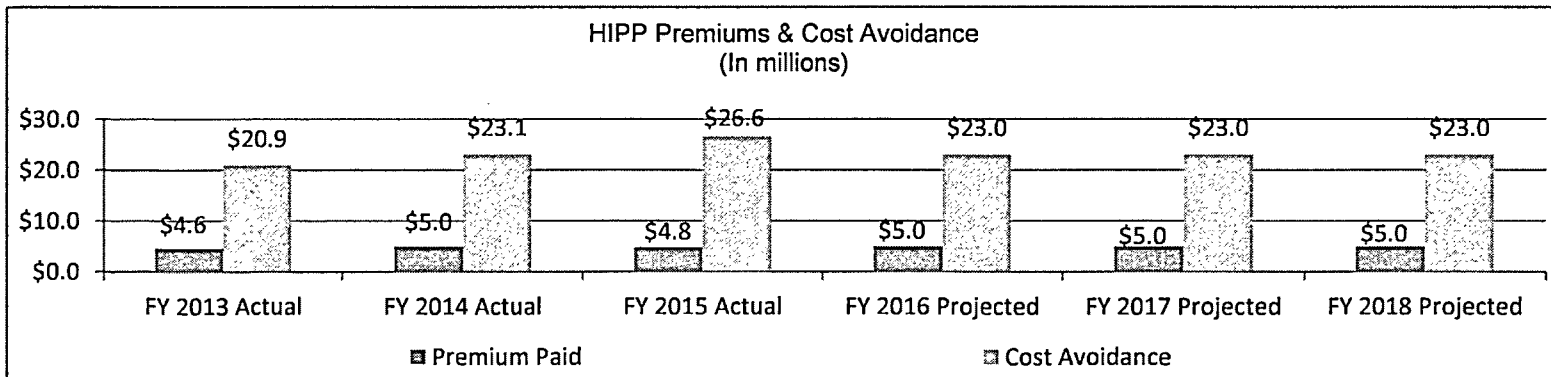
6a. Provide an effectiveness measure.

Effectiveness Measure: Increase cost avoidance by paying Medicare premiums for dual eligible's. By paying Medicare premiums for dual eligible's, the MO HealthNet avoided over \$195.7 million in SFY 2015 as shown in the chart below.



6b. Provide an efficiency measure.

Efficiency Measure: Increase cost avoidance by paying for health insurance premiums, coinsurance, and deductibles for Mo HealthNet eligible's when it is cost effective to do so. In FY15, the MO HealthNet Division paid \$4.8 million for health insurance premiums, coinsurance and deductibles and avoided \$26.6 million in costs.



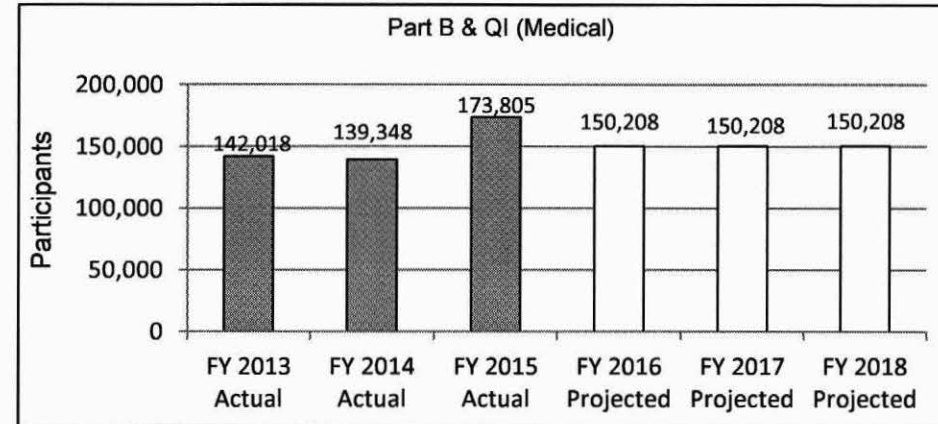
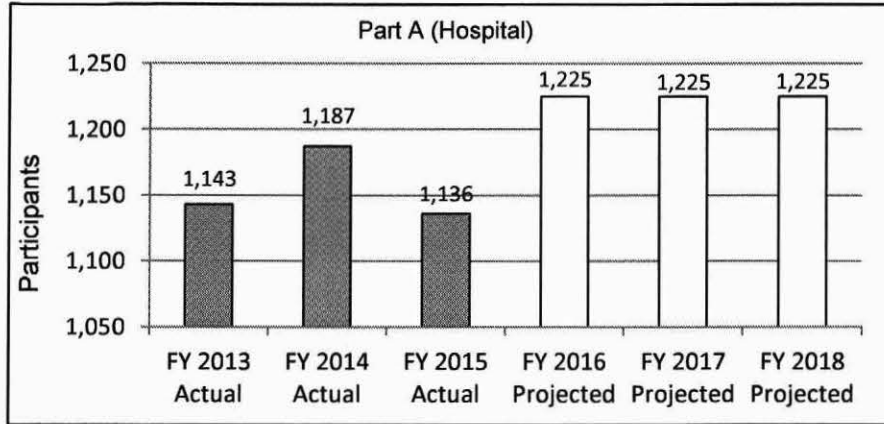
RANK: 17 NEW DECISION ITEM
OF: 29

Department: Social Services
Division: MO HealthNet
DI Name: Medicare Premium Increases

Budget Unit: 90547C

DI#: 1886006

6c. Provide the number of clients/individuals served, if applicable.



Participants: Part A (Hospital) premium payments can be made for: Qualified Medicare Beneficiaries (QMBs) and Qualified Disabled Working Individuals. Part B

6d. Provide a customer satisfaction measure, if available.

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------|------------|-------------|------------|-------------|--------------------|-------------|---------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PREMIUM PAYMENTS | | | | | | | | |
| Premium Increase - 1886006 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 9,456,780 | 0.00 | 20,619,093 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 9,456,780 | 0.00 | 20,619,093 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$0 | 0.00 | \$9,456,780 | 0.00 | \$20,619,093 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$3,196,563 | 0.00 | \$6,962,621 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$6,260,217 | 0.00 | \$13,656,472 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|---|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| NURSING FACILITIES | | | | | | | | | |
| CORE | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 136,285,830 | 0.00 | 142,097,015 | 0.00 | 142,097,015 | 0.00 | 142,097,015 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 353,057,729 | 0.00 | 388,426,892 | 0.00 | 388,426,892 | 0.00 | 375,246,180 | 0.00 | |
| UNCOMPENSATED CARE FUND | 58,516,478 | 0.00 | 58,516,478 | 0.00 | 58,516,478 | 0.00 | 58,516,478 | 0.00 | |
| THIRD PARTY LIABILITY COLLECT | 2,592,981 | 0.00 | 6,992,981 | 0.00 | 6,992,981 | 0.00 | 6,992,981 | 0.00 | |
| NURSING FACILITY FED REIM ALLW | 9,134,756 | 0.00 | 9,134,756 | 0.00 | 9,134,756 | 0.00 | 9,134,756 | 0.00 | |
| TAX AMNESTY FUND | 0 | 0.00 | 6,746,884 | 0.00 | 6,746,884 | 0.00 | 0 | 0.00 | |
| HEALTHY FAMILIES TRUST | 17,973 | 0.00 | 17,973 | 0.00 | 17,973 | 0.00 | 17,973 | 0.00 | |
| TOTAL - PD | 559,605,747 | 0.00 | 611,932,979 | 0.00 | 611,932,979 | 0.00 | 592,005,383 | 0.00 | |
| TOTAL | 559,605,747 | 0.00 | 611,932,979 | 0.00 | 611,932,979 | 0.00 | 592,005,383 | 0.00 | |
| Tax Amnesty Fund Replacement - 0000016 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 9,259,911 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 15,922,051 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 25,181,962 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 25,181,962 | 0.00 | |
| FMAP Adjustment - 1886023 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,533,692 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,533,692 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,533,692 | 0.00 | |
| GRAND TOTAL | \$559,605,747 | 0.00 | \$611,932,979 | 0.00 | \$611,932,979 | 0.00 | \$618,721,037 | 0.00 | |

1/20/16 8:30

im_disummary

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Nursing Facilities

Budget Unit: 90549C

HB Section: 11.470

1. CORE FINANCIAL SUMMARY

| | FY 2017 Budget Request | | | |
|-------|------------------------|--------------------|-------------------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 142,097,015 | 388,426,892 | 81,409,072 | 611,932,979 |
| TRF | | | | |
| Total | <u>142,097,015</u> | <u>388,426,892</u> | <u>81,409,072</u> | <u>611,932,979</u> |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Uncompensated Care Fund (UCF) (0108)
Healthy Families Trust Fund (HFTF) (0625)
Third Party Liability Collections Fund (TPL) (0120)
Nursing Facility Federal Reimbursement Allowance (NFFRA) (0196)
Tax Amnesty Fund (0470)

| | FY 2017 Governor's Recommendation | | | |
|-------|-----------------------------------|--------------------|-------------------|--------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 142,097,015 | 375,246,180 | 74,662,188 | 592,005,383 |
| TRF | | | | |
| Total | <u>142,097,015</u> | <u>375,246,180</u> | <u>74,662,188</u> | <u>592,005,383</u> |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds Uncompensated Care Fund (UCF) (0108)
Healthy Families Trust Fund (HFTF) (0625)
Third Party Liability Collections Fund (TPL) (0120)
Nursing Facility Federal Reimbursement Allowance (NFFRA) (0196)

2. CORE DESCRIPTION

This core is for ongoing funding for payments for long-term nursing care for MO HealthNet participants.

3. PROGRAM LISTING (list programs included in this core funding)

Nursing Facilities

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Nursing Facilities

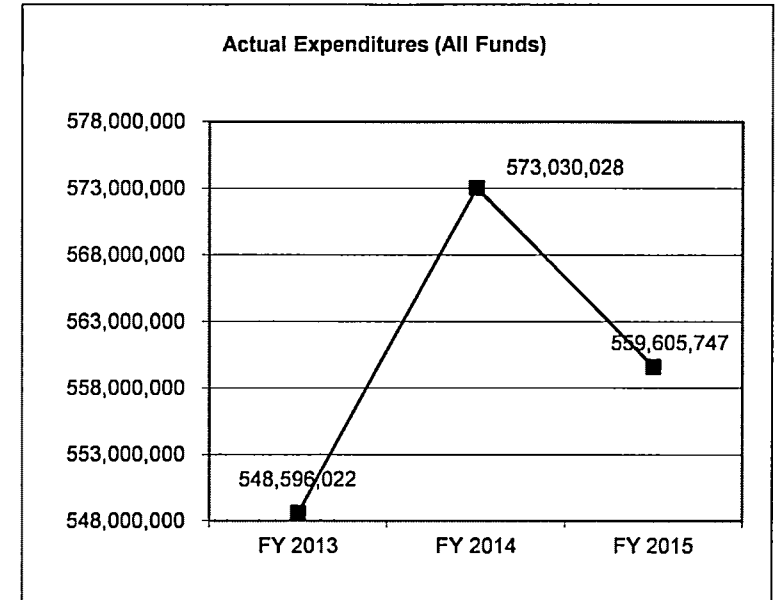
Budget Unit: 90549C

HB Section: 11.470

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|
| Appropriation (All Funds) | 552,824,449 | 577,493,965 | 559,605,747 | 611,932,979 |
| Less Reverted (All Funds) | - | 0 | 0 | N/A |
| Less Restricted (All Funds) | | | | |
| Budget Authority (All Funds) | 552,824,449 | 577,493,965 | 559,605,747 | N/A |
| Actual Expenditures (All Funds) | 548,596,022 | 573,030,028 | 559,605,747 | N/A |
| Unexpended (All Funds) | 4,228,427 | 4,463,937 | 0 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 2,239,957 | 1,870,956 | 0 | N/A |
| Other | 1,988,470 | 2,592,981 | 0 | N/A |

(1)



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY15 Decrease is due to \$16.7 million transfer to DMH and \$7 million core reallocation to Pharmacy.

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Nursing Facilities

Budget Unit: 90549C

HB Section: 11.470

Cost Per Eligible - Per Member Per Month (PMPM)

| | Nursing Facility PMPM* | Acute Care PMPM | Total PMPM | Nursing Facility Percentage of Acute | Nursing Facility Percentage of Total |
|-------------------|------------------------|-----------------|------------|--------------------------------------|--------------------------------------|
| PTD | \$163.33 | \$1,074.20 | \$1,961.17 | 15.20% | 8.33% |
| Seniors | \$822.48 | \$368.96 | \$1,565.89 | 222.92% | 52.52% |
| Custodial Parents | \$0.47 | \$473.61 | \$507.28 | 0.10% | 0.09% |
| Children* | \$0.00 | \$274.18 | \$303.51 | 0.00% | 0.00% |
| Pregnant Women | \$0.00 | \$657.06 | \$671.28 | 0.00% | 0.00% |

Source: Table 23 Medical Statistics for Fiscal Year 2015 (claims paid data). Add-on payments funded from FRA provider tax not included.

* CHIP eligibles not included

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

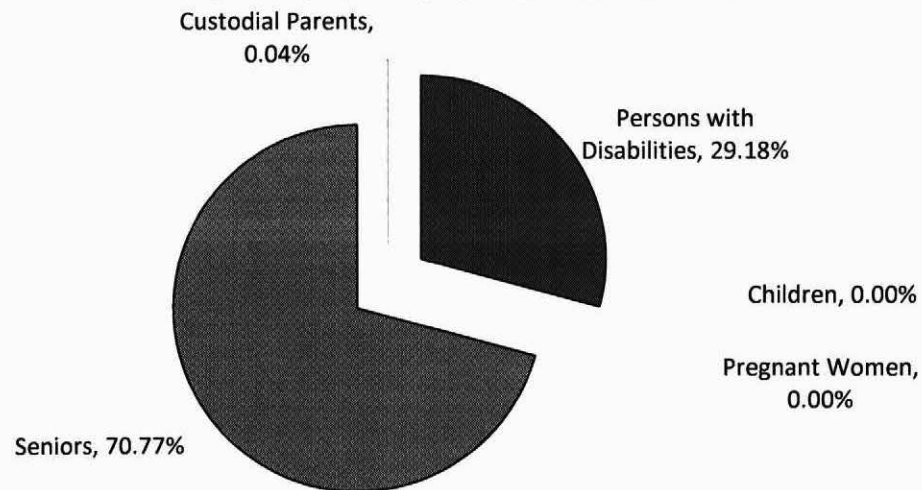
PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for nursing facilities, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, drugs, managed care payments, Medicare co-pay/deductibles and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the nursing facility PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for nursing facilities. It provides a snapshot of what eligibility groups are receiving nursing facility services as well as the populations impacted by program changes.

Nursing Facility Spending by Large Eligibility Group



Source: Table 23 Medical Statistics for Fiscal Year 2015 (claims paid data).

CORE RECONCILIATION DETAIL

**DEPARTMENT OF SOCIAL SERVICES
NURSING FACILITIES**

5. CORE RECONCILIATION DETAIL

| | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|--------------|-----------------|-------------|--------------------|---------------------|--------------------|---------------------|--|
| TAFP AFTER VETOES | | | | | | | | |
| | PD | | 0.00 | 142,097,015 | 388,426,892 | 81,409,072 | 611,932,979 | |
| | Total | | 0.00 | 142,097,015 | 388,426,892 | 81,409,072 | 611,932,979 | |
| DEPARTMENT CORE REQUEST | | | | | | | | |
| | PD | | 0.00 | 142,097,015 | 388,426,892 | 81,409,072 | 611,932,979 | |
| | Total | | 0.00 | 142,097,015 | 388,426,892 | 81,409,072 | 611,932,979 | |
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | | |
| Core Reduction | 1618 9888 | PD | 0.00 | 0 | (11,647,020) | 0 | (11,647,020) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1618 9887 | PD | 0.00 | 0 | 0 | (6,746,884) | (6,746,884) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1797 6473 | PD | 0.00 | 0 | (1,533,692) | 0 | (1,533,692) | FMAP adjustment |
| NET GOVERNOR CHANGES | | | 0.00 | 0 | (13,180,712) | (6,746,884) | (19,927,596) | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | | |
| | PD | | 0.00 | 142,097,015 | 375,246,180 | 74,662,188 | 592,005,383 | |
| | Total | | 0.00 | 142,097,015 | 375,246,180 | 74,662,188 | 592,005,383 | |

FLEXIBILITY REQUEST FORM

| BUDGET UNIT NUMBER: 90549C BUDGET UNIT NAME: Nursing Facilities HOUSE BILL SECTION: 11.470 | DEPARTMENT: Social Services DIVISION: MO HealthNet | | | | | | | | | | | | |
|--|---|------------------|-----------------------|------------------|-----------------------|------------------------------|---------------|-----|--------------|--|---------------|-----|---------------|
| 1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. | | | | | | | | | | | | | |
| DEPARTMENT REQUEST | | | | | | | | | | | | | |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: center;">Core</th> <th style="width: 20%; text-align: center;">% Flex Requested</th> <th style="width: 30%; text-align: center;">Flex Requested Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;"><i>Total Program Request</i></td> <td style="text-align: right;">\$593,539,075</td> <td style="text-align: center;">10%</td> <td style="text-align: right;">\$59,353,908</td> </tr> <tr> <td></td> <td style="text-align: right;">\$593,539,075</td> <td style="text-align: center;">25%</td> <td style="text-align: right;">\$148,384,769</td> </tr> </tbody> </table> | | | Core | % Flex Requested | Flex Requested Amount | <i>Total Program Request</i> | \$593,539,075 | 10% | \$59,353,908 | | \$593,539,075 | 25% | \$148,384,769 |
| | Core | % Flex Requested | Flex Requested Amount | | | | | | | | | | |
| <i>Total Program Request</i> | \$593,539,075 | 10% | \$59,353,908 | | | | | | | | | | |
| | \$593,539,075 | 25% | \$148,384,769 | | | | | | | | | | |
| 2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount. | | | | | | | | | | | | | |
| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | | | | | | | | | | | | |
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | | | | | | | | | | | | |
| 3. Please explain how flexibility was used in the prior and/or current years. | | | | | | | | | | | | | |
| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE | | | | | | | | | | | | |
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. | | | | | | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|---------------------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| NURSING FACILITIES | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 559,605,747 | 0.00 | 611,932,979 | 0.00 | 611,932,979 | 0.00 | 592,005,383 | 0.00 |
| TOTAL - PD | 559,605,747 | 0.00 | 611,932,979 | 0.00 | 611,932,979 | 0.00 | 592,005,383 | 0.00 |
| GRAND TOTAL | \$559,605,747 | 0.00 | \$611,932,979 | 0.00 | \$611,932,979 | 0.00 | \$592,005,383 | 0.00 |
| GENERAL REVENUE | \$136,285,830 | 0.00 | \$142,097,015 | 0.00 | \$142,097,015 | 0.00 | \$142,097,015 | 0.00 |
| FEDERAL FUNDS | \$353,057,729 | 0.00 | \$388,426,892 | 0.00 | \$388,426,892 | 0.00 | \$375,246,180 | 0.00 |
| OTHER FUNDS | \$70,262,188 | 0.00 | \$81,409,072 | 0.00 | \$81,409,072 | 0.00 | \$74,662,188 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.470

Program Name: Nursing Facilities

Program is found in the following core budget(s): Nursing Facilities

1. What does this program do?

This program provides long-term institutional care for MO HealthNet participants. An average of 504 nursing facilities were enrolled in the MO HealthNet program in SFY 15 with an average of 24,145 participants utilizing this service per month. While nursing facility users represent 2.53% of the total MO HealthNet participants, the nursing facility program comprises almost 13.69% of the total Medicaid program dollars.

Payment is based on a per diem rate established for each nursing home by the Institutional Reimbursement Unit (IRU) of the MO HealthNet Division. A portion of the per diem rate is paid from both the nursing facilities budget section and a portion from the Nursing Facilities Federal Reimbursement Allowance (NFFRA) section.

Providers are reimbursed for MO HealthNet participants based on the residents' days of care multiplied by the facility's Title XIX per diem rate, taking out any patient surplus amount. The amount of money the MO HealthNet participant contributes to his or her own nursing home care is called patient surplus. The patient surplus is based upon the participant's income and expenses. The amount of the patient surplus is calculated by Family Support Division. The gross income (usually a Social Security benefit check) of the participant is adjusted for the personal needs allowance, an allotment of money allocated for use by the community spouse or dependent children and medical deductions (Medicare premiums or private medical insurance premiums that the participant pays for his own medical coverage). The remainder is the patient surplus. The participant and the nursing facility are notified of the amount of the patient surplus by the Family Support Division. The nursing home provider is responsible for obtaining the patient surplus from the participant.

Rate Increase History: FY16 \$2.81 (funding dependent on tax amnesty); FY14 \$3.72; (See NFFRA for all other rate increases).

The nursing facility per diem calculation is based on a cost component system. The components are patient care, ancillary, administration and capital. A working capital allowance, incentives and the NFFRA are also elements of the total reimbursement rate. Patient care includes medical supplies, nursing, supplies, activities, social services and dietary costs. Ancillary services are therapies, barber and beauty shop, laundry and housekeeping. Administration includes plant operation costs and administrative costs. Capital costs are reimbursed through a fair rental value methodology. The capital component includes rental value, return, computed interest, borrowing costs and pass-through expenses. Property insurance and real estate and personal property taxes (the pass-through expenses) are the only part of the capital component that is trended. The working capital allowance per diem rate is equal to 1.1 months of the total of the facility's per diem rates for the patient care, ancillary and administration cost components multiplied by the prime rate plus 2%. There are three incentives which are paid to qualified facilities to encourage patient care expenditures and cost efficiencies in administration. The patient care incentive is 10% of a facility's patient care per diem up to a maximum of 130% of the patient care median. The ancillary incentive is paid to all facilities whose costs are below the ancillary ceiling. The amount is one-half of the difference between certain parameters. The multiple component incentive is allowed for facilities whose patient care and ancillary per diem rate are between 60 - 80% of total per diem rate. An additional amount is allowed for facilities with high MO HealthNet utilization. The current NFFRA is also included in the total reimbursement rate since it is an allowable MO HealthNet cost.

Nursing facilities are reimbursed prospectively. When the rate is established on a particular cost report year, it will not change until the rates are rebased on another cost report year. This rate may be adjusted for global per diem rate adjustments, such as trends, which are granted to the industry as a whole and are applied to the previously established rate.

Effective for dates of service beginning April 1, 2010, MHD does not automatically reimburse the coinsurance or cost sharing amount determined by Medicare or the Medicare Advantage Plan for inpatient nursing facility services. MHD now determines the MO HealthNet reimbursement for the coinsurance or cost sharing amount of crossover claims which is limited to fee-for-service amount that would be paid by MHD for those services.

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.470

Program Name: Nursing Facilities

Program is found in the following core budget(s): Nursing Facilities

Since January 1, 2010 (HB 395) the personal needs allowance must be increased by an amount equal to the product of the percentage of the Social Security benefit cost-of-living adjustment and the average amount that MO HealthNet participants are required to contribute to their cost of care, not to exceed \$5.00 in any year. When the allowance reaches \$50, there will be no further increases unless authorized by annual appropriation. There was a Social Security cost-of-living adjustment for 2013 which increased the personal needs allowance by the maximum amount of \$5.00. The personal needs allowance has increased to \$50.00 effective January 1, 2015.

MHD encourages spending for direct patient care expense by utilizing a reimbursement methodology that allows for higher reimbursement of patient care costs while limiting administration and capital costs. The ceilings for the cost components related to patient care (patient care and ancillary) are 120% of the median. Various limitations are applied to administration and capital costs, some of which are identified below.

Cost Component Ceilings

| | |
|----------------|----------------|
| Patient Care | 120% of median |
| Ancillary | 120% of median |
| Administration | 110% of median |

Limitations on Administration & Capital Costs

- Minimum Utilization of 85% applied to Administration and Capital
- Owners' Compensation is limited
- Home office costs are limited to 7% of gross revenues less contractual allowance
- Related party transactions are limited to the cost incurred by the related party
- Fair rental value calculation is used to determine the capital cost component which limits excessive real estate costs.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.153, 208.159; 208.201 Federal law: Social Security Act Section 1905(a)(4); Federal regulations: 42CFR 440.40 and 440.210

3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures made in accordance with the approved State Plan. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY 16 is a blended 63.323% federal match. The state matching requirement is 36.677%.

4. Is this a federally mandated program? If yes, please explain.

Yes, for people over age 21.

PROGRAM DESCRIPTION

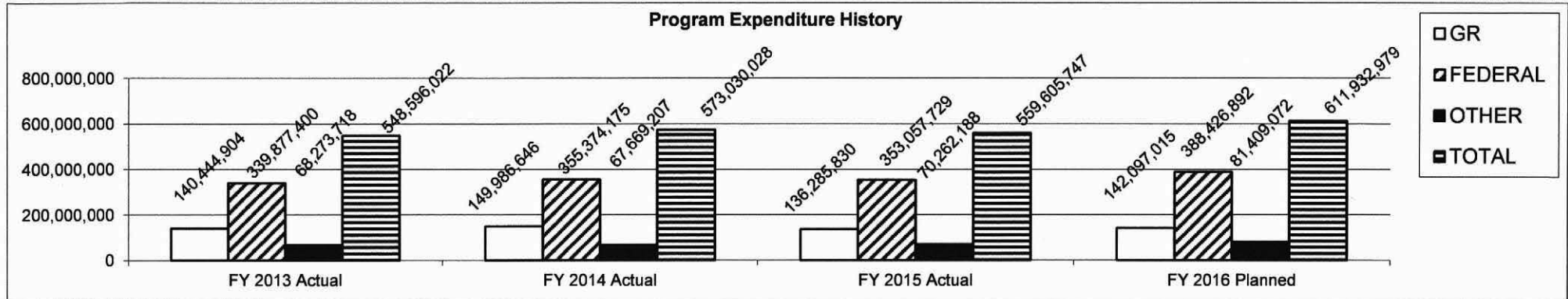
Department: Social Services

HB Section: 11.470

Program Name: Nursing Facilities

Program is found in the following core budget(s): Nursing Facilities

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

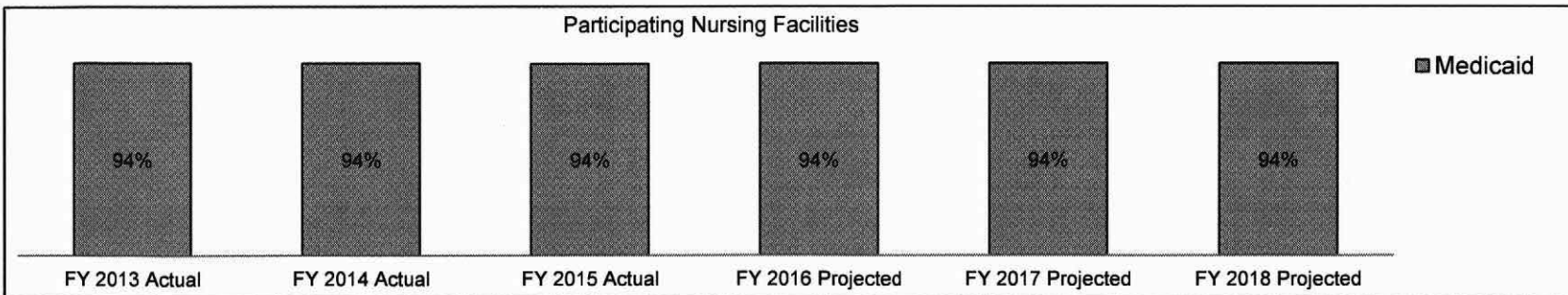


6. What are the sources of the "Other " funds?

Uncompensated Care Fund (0108), Third Party Liability Collections Fund (0120), Healthy Families Trust Fund (0625), Nursing Facilities Federal Reimbursement Allowance Fund (0196), and Tax Amnesty Fund (0470)

7a. Provide an effectiveness measure.

Provide reimbursement that is sufficient to ensure nursing facilities enroll in the MO HealthNet program. During the past three state fiscal years, over 90% of licensed nursing facilities in the state participated in the MO HealthNet program.



PROGRAM DESCRIPTION

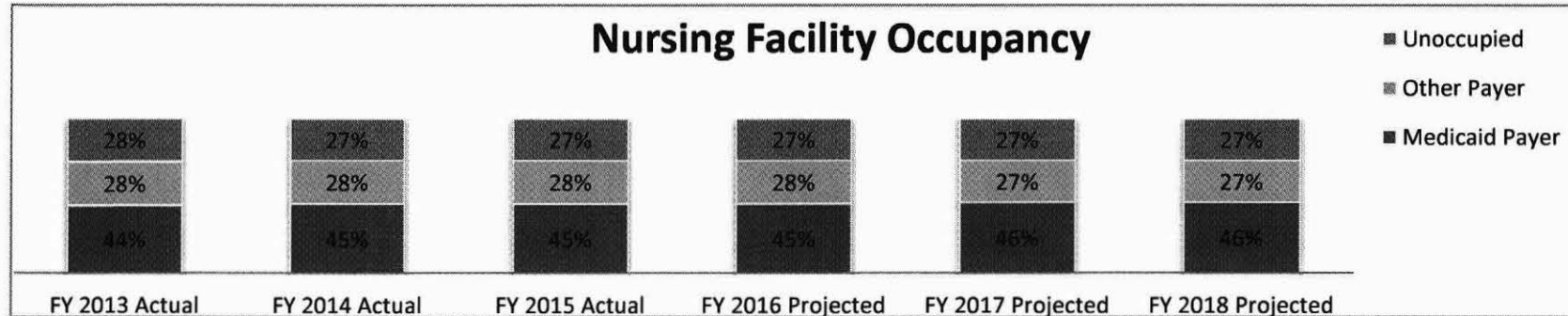
Department: Social Services

HB Section: 11.470

Program Name: Nursing Facilities

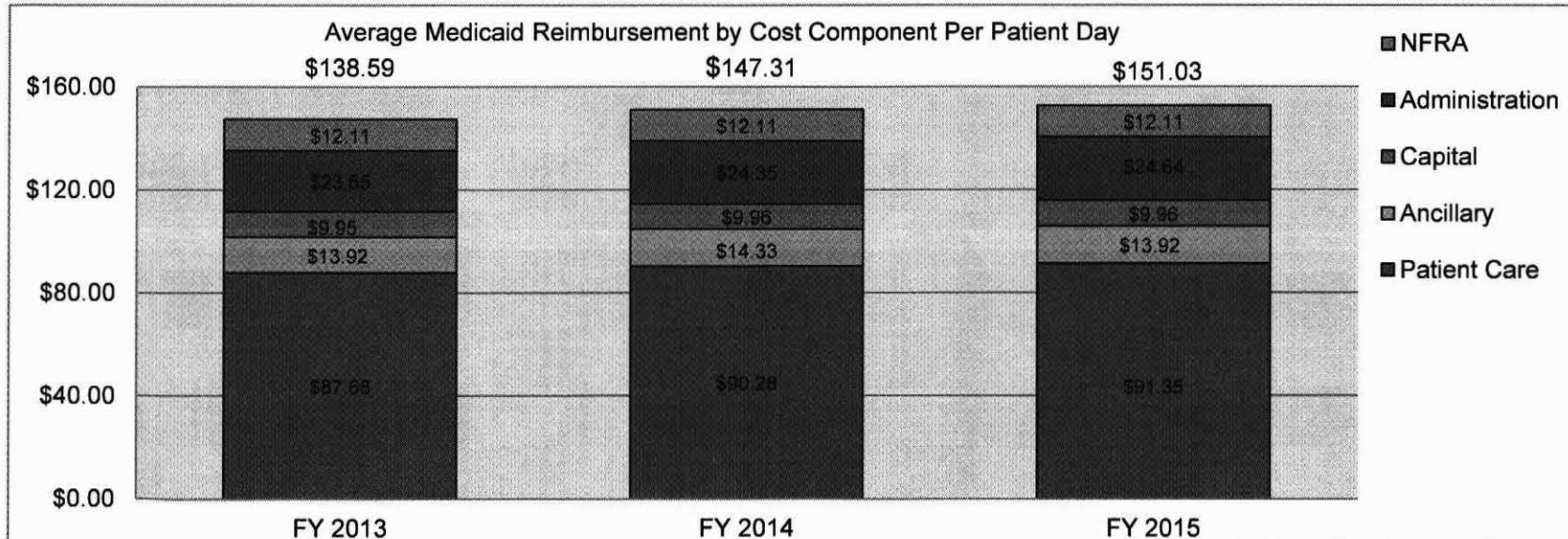
Program is found in the following core budget(s): Nursing Facilities

Provide adequate reimbursement to ensure MO HealthNet participants have sufficient access to care. In the past three state fiscal years, at least 27% of nursing facility beds were unoccupied. There are a sufficient number of beds available to care for MO HealthNet participants.



7b. Provide an efficiency measure.

Target and encourage quality patient care through the nursing facility reimbursement methodology. In the past three state fiscal years, more than 50% of the average Medicaid reimbursement rate is related to patient care.

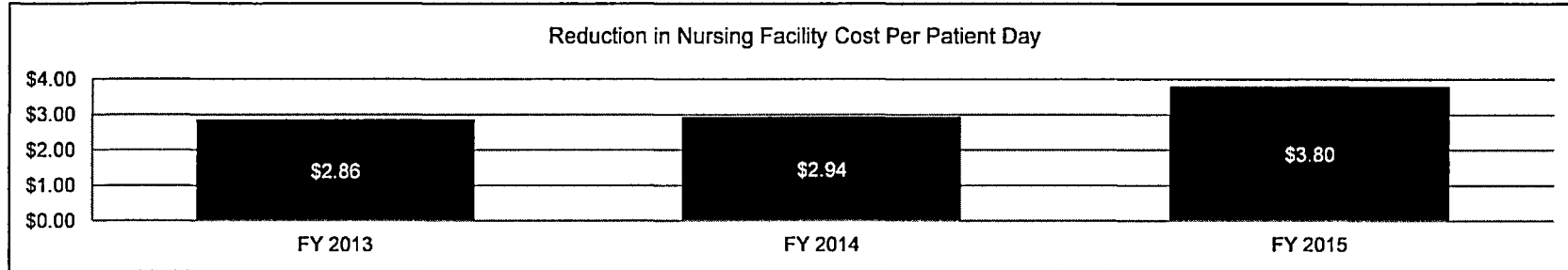


PROGRAM DESCRIPTION

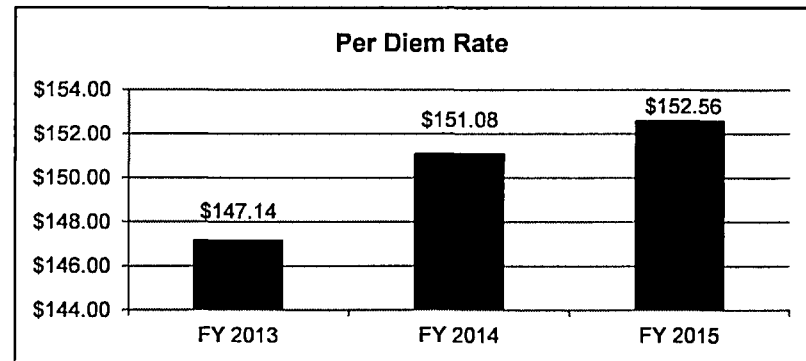
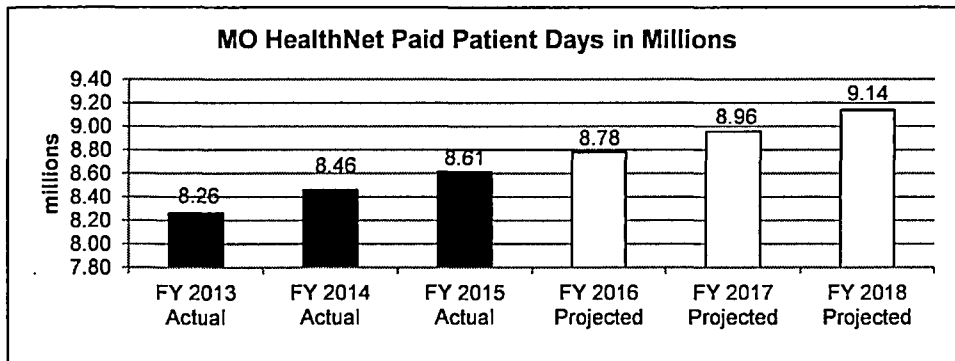
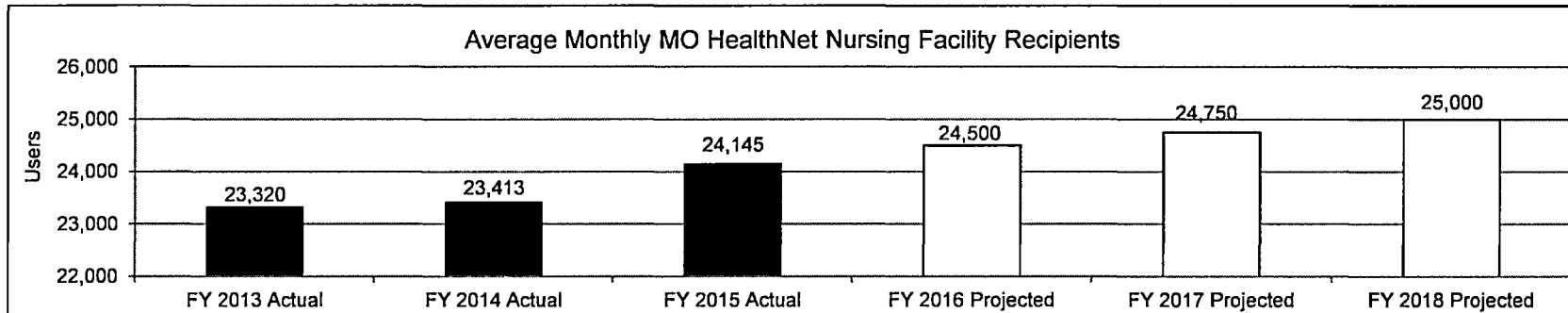
Department: Social Services
Program Name: Nursing Facilities
Program is found in the following core budget(s): Nursing Facilities

HB Section: 11.470

Ensure nursing facility costs included in determining MO HealthNet reimbursement are allowable by performing audits of the provider's cost reports. During the past three state fiscal years, an average of over \$3.10 of nursing facility costs per patient day were disallowed as a result of MHD audits.



7c. Provide the number of clients/individuals served, if applicable.



PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.470

Program Name: Nursing Facilities

Program is found in the following core budget(s): Nursing Facilities

7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|---|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| HOME HEALTH | | | | | | | | | |
| CORE | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 2,863,153 | 0.00 | 2,445,442 | 0.00 | 2,445,442 | 0.00 | 2,445,442 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 5,148,490 | 0.00 | 4,550,056 | 0.00 | 4,550,056 | 0.00 | 4,490,282 | 0.00 | |
| HEALTH INITIATIVES | 86,358 | 0.00 | 159,305 | 0.00 | 159,305 | 0.00 | 159,305 | 0.00 | |
| TAX AMNESTY FUND | 0 | 0.00 | 30,674 | 0.00 | 30,674 | 0.00 | 0 | 0.00 | |
| TOTAL - PD | 8,098,001 | 0.00 | 7,185,477 | 0.00 | 7,185,477 | 0.00 | 7,095,029 | 0.00 | |
| TOTAL | 8,098,001 | 0.00 | 7,185,477 | 0.00 | 7,185,477 | 0.00 | 7,095,029 | 0.00 | |
| Tax Amnesty Fund Replacement - 0000016 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 64,576 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 111,036 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 175,612 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 175,612 | 0.00 | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 35,674 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 33,184 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 68,858 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 68,858 | 0.00 | |
| ABLE Accounts - 1886039 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 3,059 | 0.00 | 3,071 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 8,002 | 0.00 | 7,990 | 0.00 | |
| FEDERAL REIMBURSEMENT ALLOWANCE | 0 | 0.00 | 0 | 0.00 | 1,576 | 0.00 | 1,576 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 12,637 | 0.00 | 12,637 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 12,637 | 0.00 | 12,637 | 0.00 | |

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DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | |
|---------------------------|-------------|---------|-------------|---------|-------------|----------|-------------|---------|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| HOME HEALTH | | | | | | | | |
| FMAP Adjustment - 1886023 | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6,823 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6,823 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6,823 | 0.00 |
| GRAND TOTAL | \$8,098,001 | 0.00 | \$7,185,477 | 0.00 | \$7,198,114 | 0.00 | \$7,358,959 | 0.00 |

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im_disummary

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Home Health

Budget Unit: 90564C

1. CORE FINANCIAL SUMMARY

| | FY 2017 Budget Request | | | |
|-------|------------------------|------------------|----------------|------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 2,445,442 | 4,550,056 | 189,979 | 7,185,477 |
| TRF | | | | |
| Total | <u>2,445,442</u> | <u>4,550,056</u> | <u>189,979</u> | <u>7,185,477</u> |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)
Tax Amnesty Fund (0470)

| | FY 2017 Governor's Recommendation | | | |
|-------|-----------------------------------|------------------|----------------|------------------|
| | GR | Federal | Other | Total |
| PS | | | | |
| EE | | | | |
| PSD | 2,445,442 | 4,490,282 | 159,305 | 7,095,029 |
| TRF | | | | |
| Total | <u>2,445,442</u> | <u>4,490,282</u> | <u>159,305</u> | <u>7,095,029</u> |

FTE 0.00

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds Health Initiatives Fund (HIF) (0275)
Tax Amnesty Fund (0470)

2. CORE DESCRIPTION

This core request is for on-going funding for payments for services provided through the Home Health program for the fee-for-service MO HealthNet population. This program is designed to help a MO HealthNet participants remain in their home instead of seeking institutional care. In those regions of the state where MO HealthNet Managed Care has been implemented, participants have Home Health services available through the MO HealthNet Managed Care health plans.

3. PROGRAM LISTING (list programs included in this core funding)

Home Health Services

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Home Health

Budget Unit: 90564C

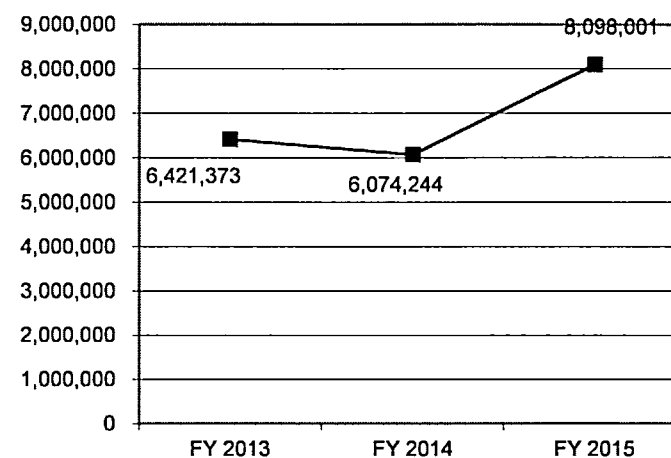
4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|
| Appropriation (All Funds) | 7,369,496 | 6,463,900 | 8,170,948 | 7,185,477 |
| Less Reverted (All Funds) | (4,779) | (4,779) | (4,779) | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 7,364,717 | 6,459,121 | 8,166,169 | N/A |
| Actual Expenditures (All Funds) | 6,421,373 | 6,074,244 | 8,098,001 | N/A |
| Unexpended (All Funds) | 91,995 | 943,344 | 0 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 145,320 | 0 | N/A |
| Federal | 943,344 | 208,236 | 0 | N/A |
| Other | 0 | 31,321 | 68,168 | N/A |

(1)

(2)

Actual Expenditures (All Funds)



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY14 Agency Reserve of \$31,321 Other Funds

(2) FY15 lapse of Health Initiatives Fund.

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES
HOME HEALTH

5. CORE RECONCILIATION DETAIL

| | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|--------------|-----------------|-------------|------------------|------------------|-----------------|------------------|--|
| TAFP AFTER VETOES | | | | | | | | |
| | PD | | 0.00 | 2,445,442 | 4,550,056 | 189,979 | 7,185,477 | |
| | Total | | 0.00 | 2,445,442 | 4,550,056 | 189,979 | 7,185,477 | |
| DEPARTMENT CORE REQUEST | | | | | | | | |
| | PD | | 0.00 | 2,445,442 | 4,550,056 | 189,979 | 7,185,477 | |
| | Total | | 0.00 | 2,445,442 | 4,550,056 | 189,979 | 7,185,477 | |
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | | |
| Core Reduction | 1620 9890 | PD | 0.00 | 0 | (52,951) | 0 | (52,951) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1620 9889 | PD | 0.00 | 0 | 0 | (30,674) | (30,674) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1796 1798 | PD | 0.00 | 0 | (6,823) | 0 | (6,823) | FMAP adjustment |
| NET GOVERNOR CHANGES | | | 0.00 | 0 | (59,774) | (30,674) | (90,448) | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | | |
| | PD | | 0.00 | 2,445,442 | 4,490,282 | 159,305 | 7,095,029 | |
| | Total | | 0.00 | 2,445,442 | 4,490,282 | 159,305 | 7,095,029 | |

FLEXIBILITY REQUEST FORM

| BUDGET UNIT NUMBER: 90564C BUDGET UNIT NAME: Home Health HOUSE BILL SECTION: 11.470 | DEPARTMENT: Social Services DIVISION: MO HealthNet | | | | | | | | | | | | |
|--|---|------------------|-----------------------|------------------|-----------------------|------------------------------|-------------|-----|-----------|--|-------------|-----|-------------|
| 1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. | | | | | | | | | | | | | |
| DEPARTMENT REQUEST | | | | | | | | | | | | | |
| <table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%;">Core</th> <th style="width: 20%;">% Flex Requested</th> <th style="width: 30%;">Flex Requested Amount</th> </tr> </thead> <tbody> <tr> <td><i>Total Program Request</i></td> <td>\$7,101,852</td> <td>10%</td> <td>\$710,185</td> </tr> <tr> <td></td> <td>\$7,101,852</td> <td>25%</td> <td>\$1,775,463</td> </tr> </tbody> </table> | | | Core | % Flex Requested | Flex Requested Amount | <i>Total Program Request</i> | \$7,101,852 | 10% | \$710,185 | | \$7,101,852 | 25% | \$1,775,463 |
| | Core | % Flex Requested | Flex Requested Amount | | | | | | | | | | |
| <i>Total Program Request</i> | \$7,101,852 | 10% | \$710,185 | | | | | | | | | | |
| | \$7,101,852 | 25% | \$1,775,463 | | | | | | | | | | |
| 2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount. | | | | | | | | | | | | | |
| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | | | | | | | | | | | | |
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | | | | | | | | | | | | |
| 3. Please explain how flexibility was used in the prior and/or current years. | | | | | | | | | | | | | |
| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE | | | | | | | | | | | | |
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. | | | | | | | | | | | | |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------|-------------|---------|-------------|---------|-------------|----------|-------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| HOME HEALTH | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 8,098,001 | 0.00 | 7,185,477 | 0.00 | 7,185,477 | 0.00 | 7,095,029 | 0.00 |
| TOTAL - PD | 8,098,001 | 0.00 | 7,185,477 | 0.00 | 7,185,477 | 0.00 | 7,095,029 | 0.00 |
| GRAND TOTAL | \$8,098,001 | 0.00 | \$7,185,477 | 0.00 | \$7,185,477 | 0.00 | \$7,095,029 | 0.00 |
| GENERAL REVENUE | \$2,863,153 | 0.00 | \$2,445,442 | 0.00 | \$2,445,442 | 0.00 | \$2,445,442 | 0.00 |
| FEDERAL FUNDS | \$5,148,490 | 0.00 | \$4,550,056 | 0.00 | \$4,550,056 | 0.00 | \$4,490,282 | 0.00 |
| OTHER FUNDS | \$86,358 | 0.00 | \$189,979 | 0.00 | \$189,979 | 0.00 | \$159,305 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.470

Program Name: Home Health

Program is found in the following core budget(s): Home Health

1. What does this program do?

Home health services primarily provide medically oriented treatment or supervision on an intermittent basis to individuals with an acute illness which can be therapeutically managed at home. Prior to October 1, 2010, individuals were required to be homebound to receive Home Health Program services. The homebound requirement was removed effective October 1, 2010. Home health care follows a written plan of treatment established and reviewed every 60 days by a physician. Services included in the home health benefit are skilled nursing; home health aide; physical, occupational and speech therapies. Supplies are also covered. Effective September 1, 2005, only participants who are eligible under aid categories for children, pregnant women, or blind individuals are eligible for physical, occupational and speech therapy provided through home health. Therapy is limited and must be reasonable and necessary for restoration to an optimal level of functioning following an injury or illness.

Home health services are reimbursed per visit. A visit is defined in part as a personal contact for a period of time not to exceed three hours in a client's home. Payment for the visit is the lower of the provider's actual billed charge or the state MO HealthNet agency established capped amount. The current MO HealthNet cap is \$77.16. Home health is a mandatory service added to the MO HealthNet program in July 1972. The program serves participants throughout the state.

Rate Change History:

- 07/01/05: \$1.97 rate increase to a cap rate of \$61.79
- 07/01/06: \$1.00 rate increase to a cap rate of \$62.79
- 07/01/07: \$0.48 rate increase to a cap rate of \$63.27
- 07/01/08: \$0.88 rate increase to a cap rate of \$64.15
- 07/01/15: \$13.01 rate increase to a cap rate of \$77.16
- 01/01/16: 3% increase funded with Tax Amnesty Fund

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152; Federal law: Social Security Act Section 1905(a)(24), 1905(a)(7) and 1915(c);

Federal Regulations: 42 CFR 440.170(f), 440.210, 440.130 and 440.180 and 460. Social Security Act Sections: 1894, 1905(a) and 1934

3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY16 is blended 63.323% federal match. The state matching requirement is 36.677%.

4. Is this a federally mandated program? If yes, please explain.

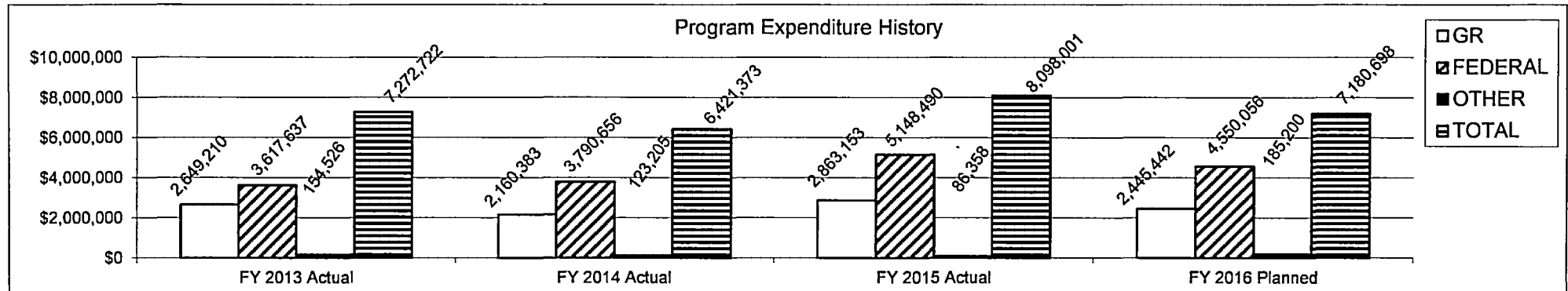
Home Health is a mandatory Medicaid program.

PROGRAM DESCRIPTION

Department: Social Services
 Program Name: Home Health
 Program is found in the following core budget(s): Home Health

HB Section: 11.470

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



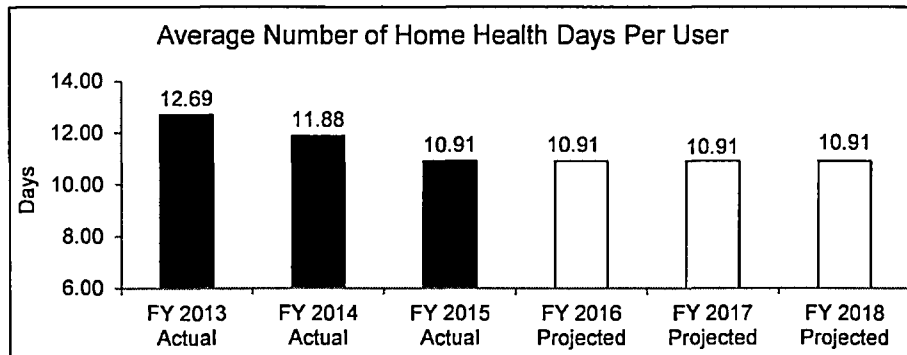
FY 2016 planned is net of reverted.

6. What are the sources of the "Other" funds?

Health Initiatives Fund (0275) and Tax Amnesty Fund (0470)

7a. Provide an effectiveness measure.

Home health plans are reviewed every 60 days. Providing health care at home is less costly than providing care in the hospital.



| User Count by Number of Days | | | | | |
|------------------------------|-------|-------|--------|------|-------|
| FY | 0-60 | 61-90 | 91-120 | 121+ | Total |
| 2013 Actual | 6,795 | 72 | 33 | 48 | 6,948 |
| 2014 Actual | 6,425 | 59 | 24 | 24 | 6,532 |
| 2015 Actual | 6,012 | 8 | 1 | 15 | 6,036 |
| 2016 Projected | 6,012 | 8 | 1 | 15 | 6,036 |
| 2017 Projected | 6,012 | 8 | 1 | 15 | 6,036 |
| 2018 Projected | 6,012 | 8 | 1 | 15 | 6,036 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.470

Program Name: Home Health

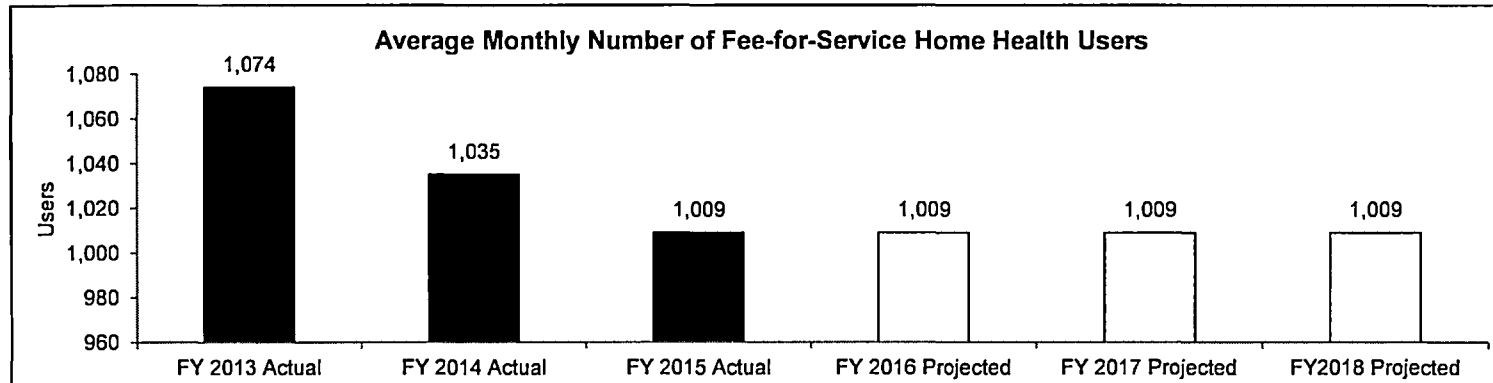
Program is found in the following core budget(s): Home Health

7b. Provide an efficiency measure.

N/A

7c. Provide the number of clients/individuals served, if applicable.

Home Health skilled nurse visits and home health aid services are available to all MO HealthNet population.



7d. Provide a customer satisfaction measure, if available.

N/A

DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|---|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| PACE | | | | | | | | | |
| CORE | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 2,531,934 | 0.00 | 2,979,470 | 0.00 | 2,979,470 | 0.00 | 2,605,392 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 4,416,247 | 0.00 | 5,127,145 | 0.00 | 5,127,145 | 0.00 | 4,453,050 | 0.00 | |
| TAX AMNESTY FUND | 0 | 0.00 | 40,445 | 0.00 | 40,445 | 0.00 | 0 | 0.00 | |
| TOTAL - PD | 6,948,181 | 0.00 | 8,147,060 | 0.00 | 8,147,060 | 0.00 | 7,058,442 | 0.00 | |
| TOTAL | 6,948,181 | 0.00 | 8,147,060 | 0.00 | 8,147,060 | 0.00 | 7,058,442 | 0.00 | |
| Tax Amnesty Fund Replacement - 0000016 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 81,270 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 139,741 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 221,011 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 221,011 | 0.00 | |
| MHD FY17 Cost to Continue - 1886001 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 50,165 | 0.00 | 25,165 | 0.00 | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 173,156 | 0.00 | 83,432 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 223,321 | 0.00 | 108,597 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 223,321 | 0.00 | 108,597 | 0.00 | |
| FMAP Adjustment - 1886023 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 24,078 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 24,078 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 24,078 | 0.00 | |
| GRAND TOTAL | \$6,948,181 | 0.00 | \$8,147,060 | 0.00 | \$8,370,381 | 0.00 | \$7,412,128 | 0.00 | |

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CORE DECISION ITEM

| | | | | | | | | | |
|---|------------------|------------------|---------------|------------------|--|------------------|------------------|--------------|------------------|
| Department: Social Services | | | | | Budget Unit: 90568C | | | | |
| Division: MO HealthNet | | | | | | | | | |
| Core: Programs for All-Inclusive Care for the Elderly (PACE) | | | | | HB Section: 11.470 | | | | |
| 1. CORE FINANCIAL SUMMARY | | | | | | | | | |
| FY 2017 Budget Request | | | | | FY 2017 Governor's Recommendation | | | | |
| | GR | Federal | Other | Total | | GR | Federal | Other | Total |
| PS | | | | | PS | | | | |
| EE | | | | | EE | | | | |
| PSD | 2,979,470 | 5,127,145 | 40,445 | 8,147,060 | PSD | 2,605,392 | 4,453,050 | | 7,058,442 |
| TRF | | | | | TRF | | | | |
| Total | <u>2,979,470</u> | <u>5,127,145</u> | <u>40,445</u> | <u>8,147,060</u> | Total | <u>2,605,392</u> | <u>4,453,050</u> | <u>0</u> | <u>7,058,442</u> |
| FTE | | | | 0.00 | FTE | | | | |
| Est. Fringe | 0 | 0 | 0 | 0 | Est. Fringe | 0 | 0 | 0 | 0 |
| <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | | <i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i> | | | | |
| Other Funds: Tax Amnesty Fund (0470) | | | | | Other Funds: | | | | |
| 2. CORE DESCRIPTION | | | | | | | | | |
| This core request is for on-going funding for services provided through the PACE program. This program is designed to help a MO HealthNet participant remain in their home instead of seeking institutional care. | | | | | | | | | |
| 3. PROGRAM LISTING (list programs included in this core funding) | | | | | | | | | |
| Programs for All-Inclusive Care for the Elderly (PACE) | | | | | | | | | |

CORE DECISION ITEM

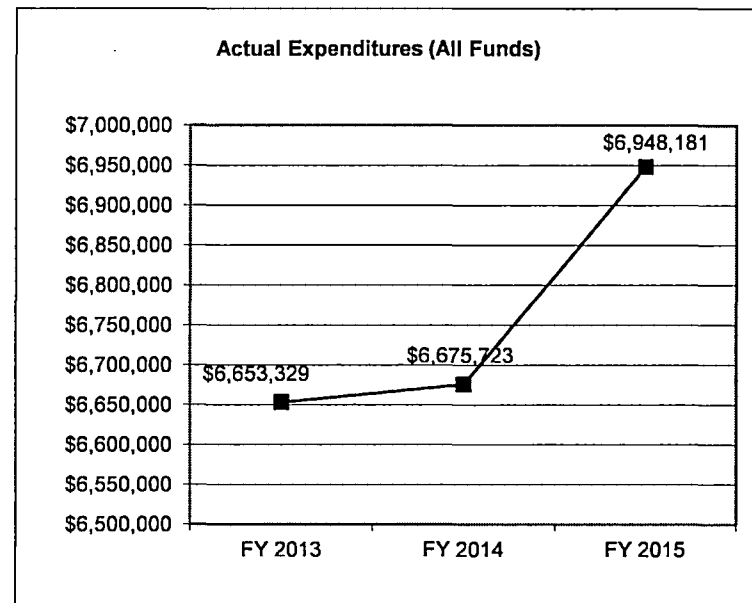
Department: Social Services
Division: MO HealthNet
Core: Programs for All-Inclusive Care for the Elderly (PACE)

Budget Unit: 90568C

HB Section: 11.470

4. FINANCIAL HISTORY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|
| Appropriation (All Funds) | 6,875,723 | 6,675,723 | 6,948,181 | 8,147,060 |
| Less Reverted (All Funds) | (200,000) | 0 | 0 | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 6,675,723 | 6,675,723 | 6,948,181 | N/A |
| Actual Expenditures (All Funds) | 6,653,329 | 6,675,723 | 6,948,181 | N/A |
| Unexpended (All Funds) | 22,394 | 0 | 0 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 22,394 | 0 | 0 | N/A |
| Other | 0 | 0 | 0 | N/A |



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES

PAGE

5. CORE RECONCILIATION DETAIL

| | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|-----------|-----------------|-------------|------------------|------------------|-----------------|--------------------|--|
| TAFP AFTER VETOES | | | | | | | | |
| | | PD | 0.00 | 2,979,470 | 5,127,145 | 40,445 | 8,147,060 | |
| | | Total | 0.00 | 2,979,470 | 5,127,145 | 40,445 | 8,147,060 | |
| DEPARTMENT CORE REQUEST | | | | | | | | |
| | | PD | 0.00 | 2,979,470 | 5,127,145 | 40,445 | 8,147,060 | |
| | | Total | 0.00 | 2,979,470 | 5,127,145 | 40,445 | 8,147,060 | |
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | | |
| Core Reduction | 1619 9892 | PD | 0.00 | 0 | (69,819) | 0 | (69,819) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1619 9891 | PD | 0.00 | 0 | 0 | (40,445) | (40,445) | Redux of one-time funding for FY16 rate increase |
| Core Reduction | 1756 9898 | PD | 0.00 | (350,000) | 0 | 0 | (350,000) | Governor core reduction |
| Core Reduction | 1756 9899 | PD | 0.00 | 0 | (604,276) | 0 | (604,276) | Governor core reduction |
| Core Reduction | 1790 4422 | PD | 0.00 | (24,078) | 0 | 0 | (24,078) | FMAP adjustment |
| NET GOVERNOR CHANGES | | | 0.00 | (374,078) | (674,095) | (40,445) | (1,088,618) | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | | |
| | | PD | 0.00 | 2,605,392 | 4,453,050 | 0 | 7,058,442 | |
| | | Total | 0.00 | 2,605,392 | 4,453,050 | 0 | 7,058,442 | |

FLEXIBILITY REQUEST FORM

| | |
|-----------------------------------|------------------------------------|
| BUDGET UNIT NUMBER: 90568C | DEPARTMENT: Social Services |
| BUDGET UNIT NAME: PACE | |
| HOUSE BILL SECTION: 11.470 | DIVISION: MO HealthNet |

1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.

DEPARTMENT REQUEST

| | Core | % Flex Requested | Flex Requested Amount |
|----------------------|--------------|------------------|-----------------------|
| <i>Total Request</i> | \$11,535,570 | 10% | \$1,153,557 |
| | \$11,535,570 | 25% | \$2,883,893 |

2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.

| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED |
|---|---|---|
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | 10% flexibility between sections and 25% flexibility between FFS and Managed Care is being requested for FY 17. |

3. Please explain how flexibility was used in the prior and/or current years.

| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE |
|----------------------------------|--|
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|-----------------------|-------------|---------|-------------|---------|-------------|----------|-------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| PACE | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 6,948,181 | 0.00 | 8,147,060 | 0.00 | 8,147,060 | 0.00 | 7,058,442 | 0.00 |
| TOTAL - PD | 6,948,181 | 0.00 | 8,147,060 | 0.00 | 8,147,060 | 0.00 | 7,058,442 | 0.00 |
| GRAND TOTAL | \$6,948,181 | 0.00 | \$8,147,060 | 0.00 | \$8,147,060 | 0.00 | \$7,058,442 | 0.00 |
| GENERAL REVENUE | \$2,531,934 | 0.00 | \$2,979,470 | 0.00 | \$2,979,470 | 0.00 | \$2,605,392 | 0.00 |
| FEDERAL FUNDS | \$4,416,247 | 0.00 | \$5,127,145 | 0.00 | \$5,127,145 | 0.00 | \$4,453,050 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$40,445 | 0.00 | \$40,445 | 0.00 | \$0 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.470

Program Name: Program of All Inclusive Care for the Elderly (PACE)

Program is found in the following core budget(s): PACE

1. What does this program do?

The goal of the PACE program is to maximize each participant's potential and continued residence in the home and community by providing preventive primary care and supports to the individual while in the home and community. The PACE program is intended to help the participant stay as independent as possible through a PACE organization which acts as the individual's sole source provider guaranteeing access to services. Funding was also received in FY16 to begin a PACE program in the Kansas City region. The Division is currently working to develop this program.

The PACE organization provides a full range of preventive, primary, acute, and long-term care services 24 hours per day, 7 days per week. The PACE Center is open Monday through Friday 8 AM to 5 PM to offer services on-site in an adult day health center setting. The PACE organization also provides in-home services as deemed necessary by the PACE Interdisciplinary Team (IDT). All medical services the individual requires while enrolled in the PACE program are the financial responsibility of the PACE provider.

PACE combines adult day settings, home care, interdisciplinary teams, transportation systems, and capitated payment systems so that providers can respond to the unique needs of each frail, elderly individual served.

The MO HealthNet Division is the state administering agency for the PACE program.

To be eligible to enroll in the PACE program, participants must be at least 55 years old, live in the PACE service area, have been certified by the Missouri Department of Health and Senior Services to have met the nursing home level of care of 21 points or higher, and be recommended by the PACE staff for PACE program services as the best option for their care.

At the time of enrollment, a participant must be able to live in a community setting without jeopardizing his or her health or safety.

Enrollment in the PACE program is always voluntary and participants have the option to return to the fee-for-service system at any time. Eligibility to enroll in the PACE program is not restricted to Medicare beneficiaries or MO HealthNet participants. A potential PACE enrollee may, but is not required to be entitled to Medicare Part A, enrolled under Medicare Part B, or eligible for MO HealthNet.

Rate Change History: FY 2012 \$750.00 per month per participant (effective January 1, 2012).

Attendance at the PACE center is determined by the interdisciplinary team and based on the needs and preferences of the participants. Some participants attend every day and some only 2-3 times per week. The PACE organization provides transportation to and from the PACE center each day the participant is scheduled to attend. Monthly rates for PACE are either a dual rate of \$2,812 for Medicaid/Medicare participants or a MO HealthNet only rate of \$4,284. On average 81% of participants are at the dual rate.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152 and 208.168; Federal Regulations: 42 CFR 460

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.470

Program Name: Program of All Inclusive Care for the Elderly (PACE)

Program is found in the following core budget(s): PACE

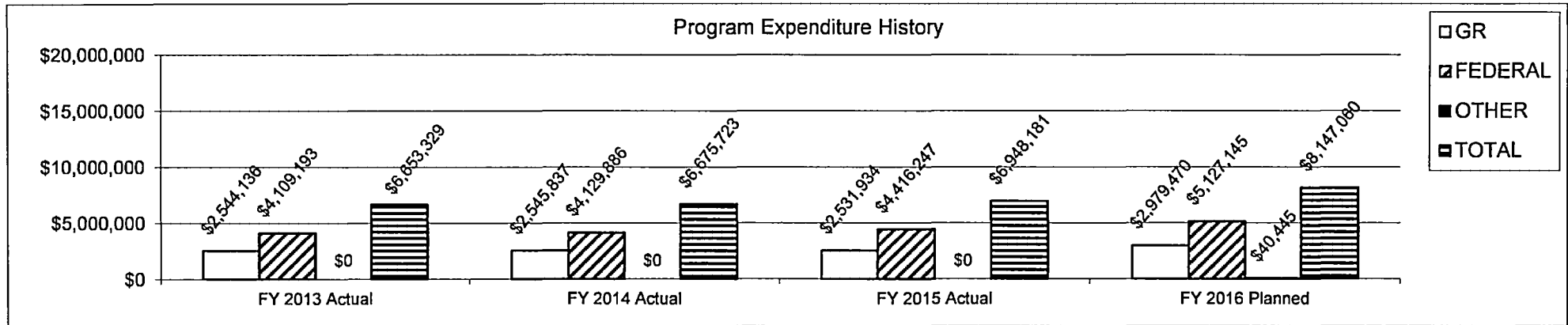
3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY16 is blended 63.323% federal match. The state matching requirement is 36.677%

4. Is this a federally mandated program? If yes, please explain.

PACE is an optional program.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other" funds?

N/A

PROGRAM DESCRIPTION

Department: Social Services

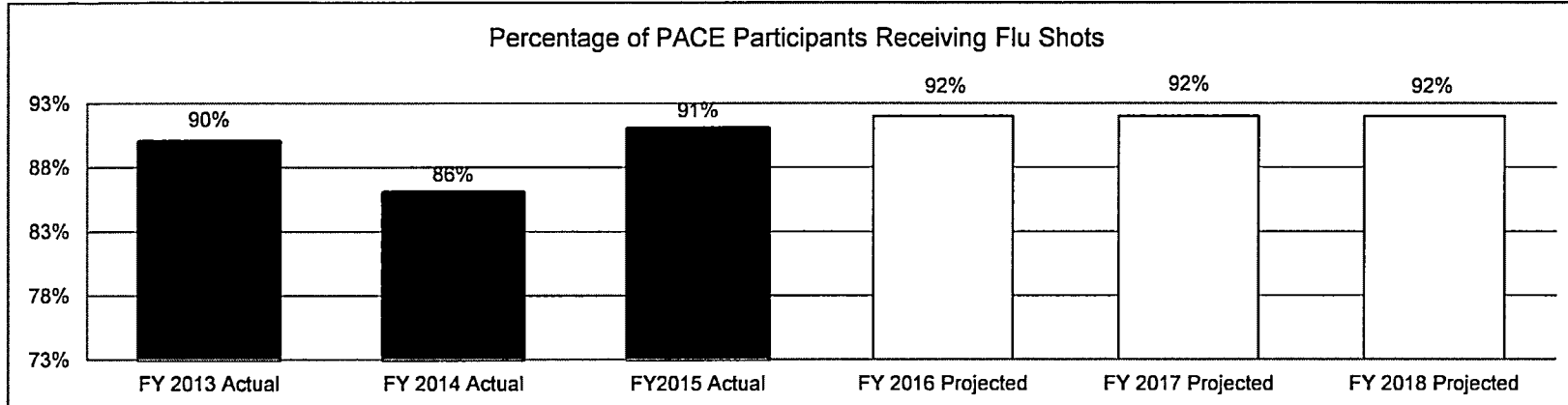
HB Section: 11.470

Program Name: Program of All Inclusive Care for the Elderly (PACE)

Program is found in the following core budget(s): PACE

7a. Provide an effectiveness measure.

PACE offers flu shots to all of their participants to protect their participants from the flu and the serious problems it creates for the frail elderly.



7b. Provide an efficiency measure.

The PACE program helps MO HealthNet participants remain in their homes instead of seeking institutional care under the fee-for-service program by helping them stay as independent as possible. While some PACE participants need to move into a nursing home, the participants remain enrolled in PACE, and the PACE provider is responsible for all services provided to these participants. A significant portion of PACE participants continue to live at home and receive services under the PACE program.

PACE Participants

| SFY | Users | Reside in Nursing Facilities | Reside in Their Home | % Reside in Home |
|-------------------|-------|------------------------------|----------------------|------------------|
| FY 2013 Actual | 186 | 17 | 169 | 91% |
| FY 2014 Actual | 192 | 18 | 174 | 91% |
| FY 2015 Actual | 199 | 24 | 175 | 88% |
| FY 2016 Projected | 200 | 25 | 175 | 83% |
| FY 2017 Projected | 201 | 26 | 175 | 81% |
| FY 2018 Projected | 202 | 27 | 175 | 80% |

PROGRAM DESCRIPTION

Department: Social Services

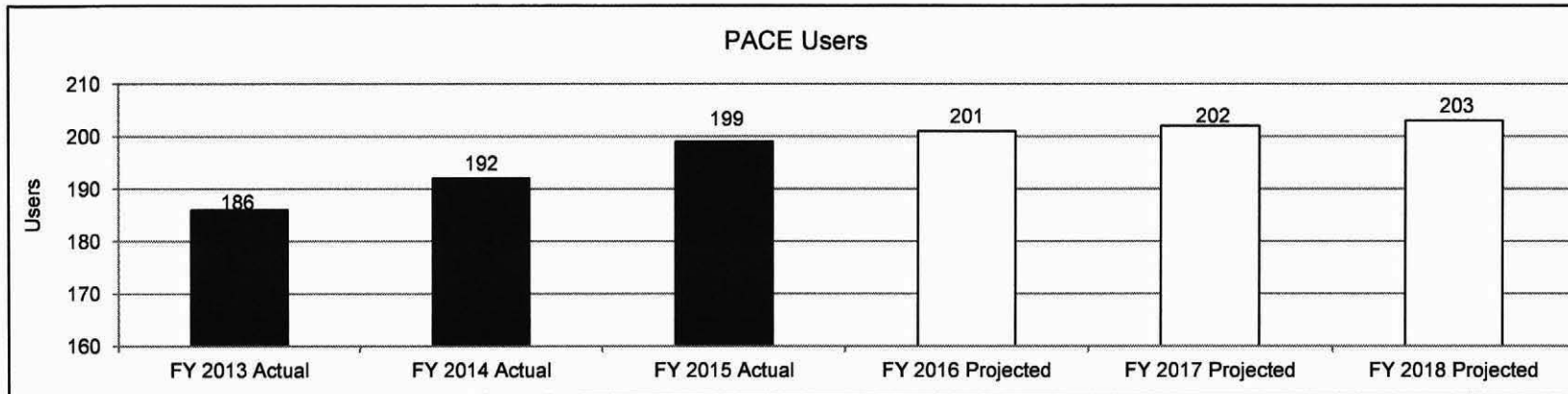
HB Section: 11.470

Program Name: Program of All Inclusive Care for the Elderly (PACE)

Program is found in the following core budget(s): PACE

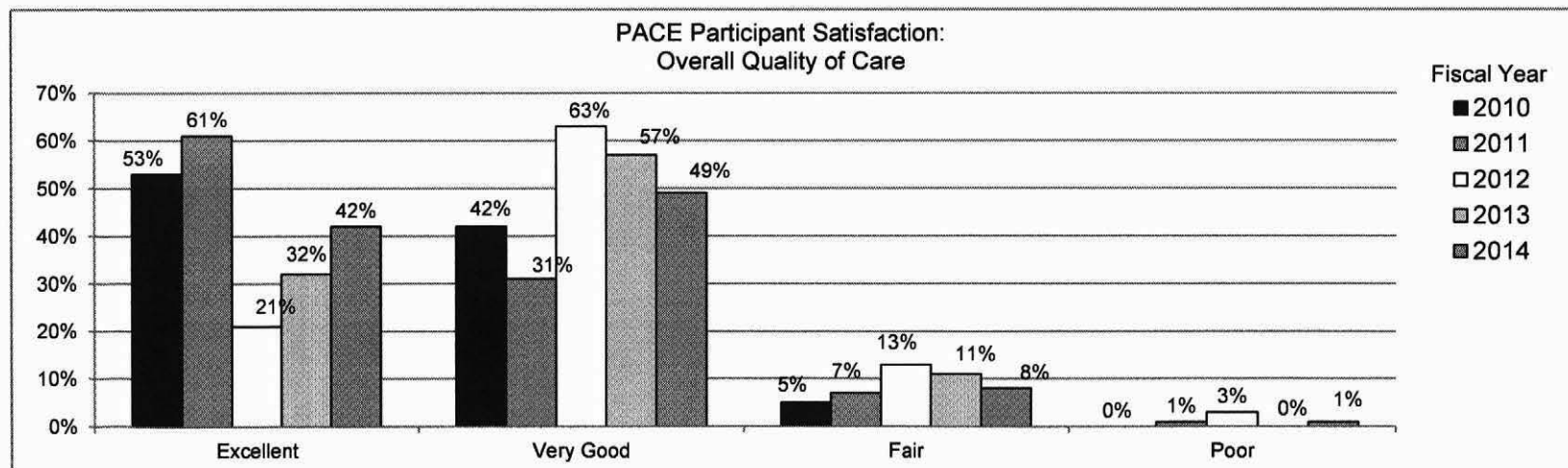
7c. Provide the number of clients/individuals served, if applicable.

Users include dual participants, MO HealthNet participants and Medicare-only participants.



7d. Provide a customer satisfaction measure, if available.

Alexian Brothers Community Services performs annual Participant Satisfaction Surveys.



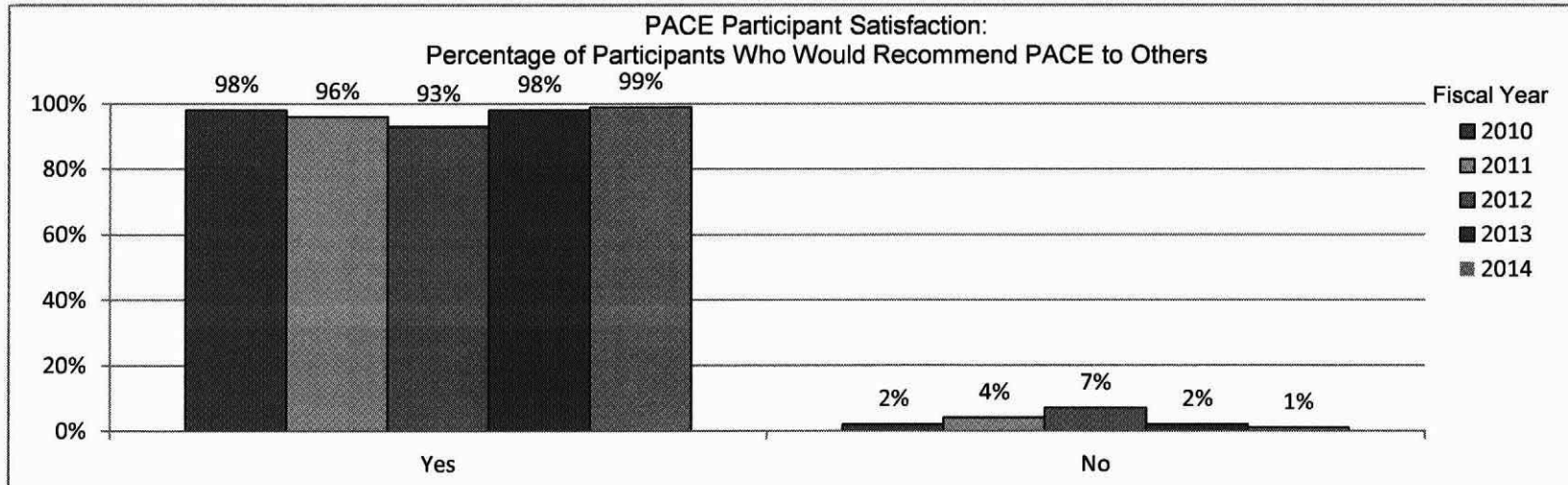
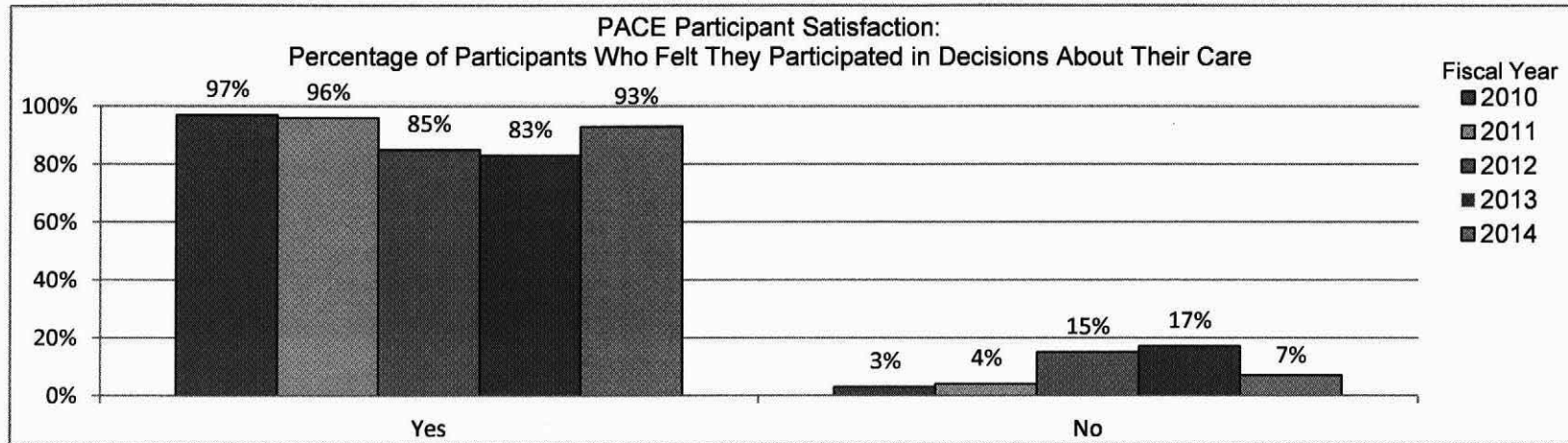
PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.470

Program Name: Program of All Inclusive Care for the Elderly (PACE)

Program is found in the following core budget(s): PACE



DECISION ITEM SUMMARY

| Budget Unit | | | | | | | | | |
|-----------------------------------|------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|--|
| Decision Item | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 | |
| Budget Object Summary | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC | |
| Fund | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | |
| LONG TERM SUPPORT PAYMENTS | | | | | | | | | |
| CORE | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 6,961,594 | 0.00 | 6,961,594 | 0.00 | 6,291,672 | 0.00 | |
| LONG-TERM SUPPORT UPL | 0 | 0.00 | 3,989,174 | 0.00 | 3,989,174 | 0.00 | 3,989,174 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 10,950,768 | 0.00 | 10,950,768 | 0.00 | 10,280,846 | 0.00 | |
| TOTAL | 0 | 0.00 | 10,950,768 | 0.00 | 10,950,768 | 0.00 | 10,280,846 | 0.00 | |
| FMAP Adjustment - 1886023 | | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | | |
| LONG-TERM SUPPORT UPL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 669,922 | 0.00 | |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 669,922 | 0.00 | |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 669,922 | 0.00 | |
| GRAND TOTAL | \$0 | 0.00 | \$10,950,768 | 0.00 | \$10,950,768 | 0.00 | \$10,950,768 | 0.00 | |

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im_dsummary

CORE DECISION ITEM

| | |
|---|----------------------------|
| Department: Social Services | Budget Unit: 90548C |
| Division: MO HealthNet | |
| Core: Long Term Support Payments | HB Section: 11.480 |

1. CORE FINANCIAL SUMMARY

| FY 2017 Budget Request | | | | | FY 2017 Governor's Recommendation | | | | |
|------------------------|----------|------------------|------------------|-------------------|-----------------------------------|----------|------------------|------------------|-------------------|
| | GR | Federal | Other | Total | | GR | Federal | Other | Total |
| PS | | | | | PS | | | | |
| EE | | | | | EE | | | | |
| PSD | 0 | 6,961,594 | 3,989,174 | 10,950,768 | PSD | | 6,291,672 | 3,989,174 | 10,280,846 |
| TRF | | | | | TRF | | | | |
| Total | 0 | 6,961,594 | 3,989,174 | 10,950,768 | Total | 0 | 6,291,672 | 3,989,174 | 10,280,846 |
| FTE | | | | 0.00 | FTE | | | | |

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

| | | | | |
|--------------------|---|---|---|---|
| Est. Fringe | 0 | 0 | 0 | 0 |
|--------------------|---|---|---|---|

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Long Term Support UPL (0724)

Other Funds: Long Term Support UPL (0724)

2. CORE DESCRIPTION

This program provides a supplemental payment to qualifying public nursing facilities for their unreimbursed cost, subject to the upper payment limit.

3. PROGRAM LISTING (list programs included in this core funding)

Long Term Support Payments

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Long Term Support Payments

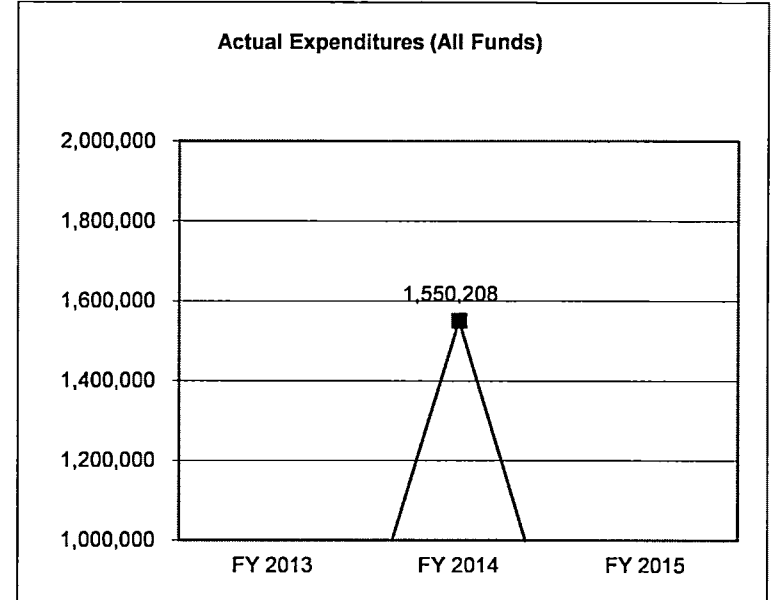
Budget Unit: 90548C

HB Section: 11.480

1. CORE FINANCIAL SUMMARY

| | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Current Yr. |
|---------------------------------|-------------------|-------------------|-------------------|------------------------|
| Appropriation (All Funds) | 45,895,112 | 45,895,112 | 45,895,112 | 10,950,768 |
| Less Reverted (All Funds) | 0 | 0 | 0 | N/A |
| Less Restricted (All Funds) | 0 | 0 | 0 | N/A |
| Budget Authority (All Funds) | 45,895,112 | 45,895,112 | 45,895,112 | N/A |
| Actual Expenditures (All Funds) | 0 | 1,550,208 | 0 | N/A |
| Unexpended (All Funds) | 0 | 45,895,112 | 45,895,112 | N/A |
| Unexpended, by Fund: | | | | |
| General Revenue | 0 | 0 | 0 | N/A |
| Federal | 28,393,011 | 27,431,417 | 28,393,011 | N/A |
| Other | 17,502,101 | 16,913,487 | 17,502,101 | N/A |

(1)



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

(1) FY13 Program was added

CORE RECONCILIATION DETAIL

DEPARTMENT OF SOCIAL SERVICES
LONG TERM SUPPORT PAYMENTS

5. CORE RECONCILIATION DETAIL

| | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|-----------------|-------------|----------|------------------|------------------|-------------------|-----------------|
| TAFP AFTER VETOES | | | | | | | |
| | PD | 0.00 | 0 | 6,961,594 | 3,989,174 | 10,950,768 | |
| | Total | 0.00 | 0 | 6,961,594 | 3,989,174 | 10,950,768 | |
| DEPARTMENT CORE REQUEST | | | | | | | |
| | PD | 0.00 | 0 | 6,961,594 | 3,989,174 | 10,950,768 | |
| | Total | 0.00 | 0 | 6,961,594 | 3,989,174 | 10,950,768 | |
| GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS | | | | | | | |
| Core Reduction | 1798 8236 PD | 0.00 | 0 | (669,922) | 0 | (669,922) | FMAP adjustment |
| NET GOVERNOR CHANGES | | 0.00 | 0 | (669,922) | 0 | (669,922) | |
| GOVERNOR'S RECOMMENDED CORE | | | | | | | |
| | PD | 0.00 | 0 | 6,291,672 | 3,989,174 | 10,280,846 | |
| | Total | 0.00 | 0 | 6,291,672 | 3,989,174 | 10,280,846 | |

FLEXIBILITY REQUEST FORM

| | |
|--|------------------------------------|
| BUDGET UNIT NUMBER: 90548C | DEPARTMENT: Social Services |
| BUDGET UNIT NAME: Long Term Support UPL | |
| HOUSE BILL SECTION: 11.480 | DIVISION: MO HealthNet |

1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.

DEPARTMENT REQUEST

| | Core | % Flex Requested | Flex Requested Amount |
|------------------------------|--------------|------------------|-----------------------|
| <i>Total Program Request</i> | \$10,950,768 | 10% | \$1,095,077 |
| | \$10,950,768 | 25% | \$2,737,692 |

2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.

| PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED | CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED | BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED |
|---|---|---|
| None. | H.B. 11 language allows for up to 10% flexibility between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.550, 11.555, and 11.595 and 25% flexibility for use of this section for managed care. | 10% flexibility between sections and 25% flexibility between FFS and Managed Care is being requested for FY 17. |

3. Please explain how flexibility was used in the prior and/or current years.

| PRIOR YEAR EXPLAIN ACTUAL USE | CURRENT YEAR EXPLAIN PLANNED USE |
|----------------------------------|--|
| None. | Flexibility allows DSS to provide continued Medicaid benefits without an interruption in reimbursement to providers or partial payments. |

DECISION ITEM DETAIL

| Budget Unit | FY 2015 | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 | FY 2017 | FY 2017 |
|----------------------------|---------|---------|--------------|---------|--------------|----------|--------------|---------|
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | GOV REC | GOV REC |
| Budget Object Class | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE | DOLLAR | FTE |
| LONG TERM SUPPORT PAYMENTS | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 10,950,768 | 0.00 | 10,950,768 | 0.00 | 10,280,846 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 10,950,768 | 0.00 | 10,950,768 | 0.00 | 10,280,846 | 0.00 |
| GRAND TOTAL | \$0 | 0.00 | \$10,950,768 | 0.00 | \$10,950,768 | 0.00 | \$10,280,846 | 0.00 |
| GENERAL REVENUE | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| FEDERAL FUNDS | \$0 | 0.00 | \$6,961,594 | 0.00 | \$6,961,594 | 0.00 | \$6,291,672 | 0.00 |
| OTHER FUNDS | \$0 | 0.00 | \$3,989,174 | 0.00 | \$3,989,174 | 0.00 | \$3,989,174 | 0.00 |

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.480

Program Name: Long Term Support Payments

Program is found in the following core budget(s): Long Term Support Payments

1. What does this program do?

This program provides a supplemental payment to qualifying public nursing facilities for their unreimbursed cost, subject to the upper payment limit.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: Federal Regulations: 42 CFR, 447.272

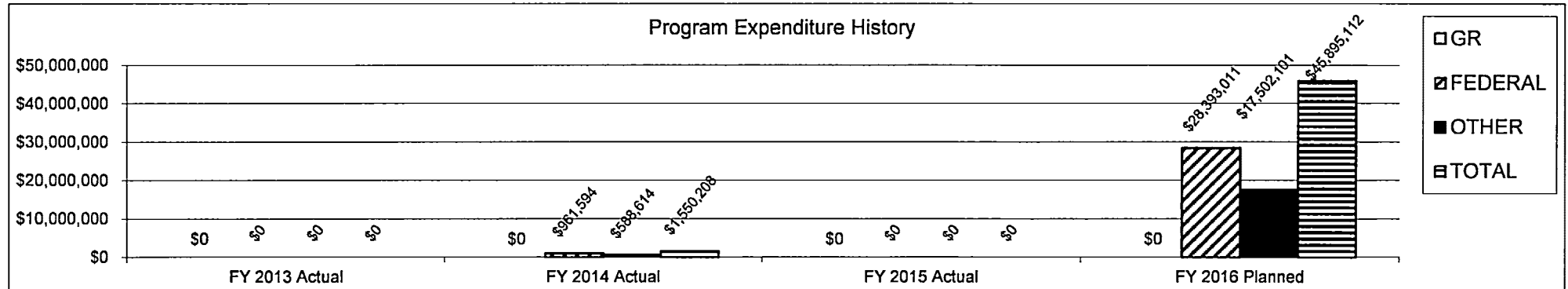
3. Are there federal matching requirements? If yes, please explain.

There will be federal matching requirements for allowable medicaid expenses.

4. Is this a federally mandated program? If yes, please explain.

No.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



New program in FY 2013.

6. What are the sources of the "Other " funds?

Long Term Support UPL Fund (0724)

PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.480

Program Name: Long Term Support Payments

Program is found in the following core budget(s): Long Term Support Payments

7a. Provide an effectiveness measure.

N/A

7b. Provide an efficiency measure.

N/A

7c. Provide the number of clients/individuals served, if applicable.

N/A

7d. Provide a customer satisfaction measure, if available.

N/A